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# West Europe Report

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16 November 1984

## WEST EUROPE REPORT

### CONTENTS

#### ARMS CONTROL

##### FINLAND

- Stalinist Wing Newspaper: Defense Panel Must View Cruise Missiles  
(Editorial; TIEDONANTAJA, 3 Oct 84)..... 1

#### POLITICAL

##### FINLAND

- Communist Factions Run on Different Lists in Local Elections  
(UUSI SUOMI, 1 Sep 84; TIEDONANTAJA, 4 Sep 84)..... 3
- SKDL Candidate Deserts Joint List  
Stalinist Paper Attacks Splitting, Editorial
- Communists' Rift Putting Strains on SKDL  
(Editorial; UUSI SUOMI, 22 Sep 84)..... 5
- Sinisalo Forces Mount Unexpected Resistance to Moderates  
(Ilkka Juva; UUSI SUOMI, 23 Sep 84)..... 7
- Sinisalo Delivers Broadside Against Saarinen's Memoirs  
(Taisto Sinisalo; TIEDONANTAJA, 23 Sep 84)..... 12
- Soon To Be SKDL General Secretary Reijo Kakela Comments  
(Ari Heinonen; KANSAN UUTISET, 29 Sep 84)..... 15
- Soviet Karelian Representative Praises Stalinist Newspaper  
(TIEDONANTAJA, 4 Sep 84)..... 19

## FRANCE

Violence, Ties With Libya Feared in New Caledonia (LIBERATION, 19 Oct 84).....	20
Juppe Suggests Opposition Strategies for Legislatives (Alain Juppe Interview; LE QUOTIDIEN DE PARIS, 28 Sep 84).....	22
Soviet Activities, Aims in Africa Examined (LE FIGARO, 26 Sep 84).....	26
Briefs	
Policy to Champion Third World	29
Estier in UN Delegation	29

## GREECE

Papandreou Reportedly Offers To Welcome Solidarity Members (I KATHIMERINI, 21 Oct 84).....	30
Papandreou's Foreign Policy Seen Conciliation of KKE (Editorial; I KATHIMERINI, 24 Oct 84).....	31

## PORTUGAL

Comments on Worsening Relations With Angola (Various sources, various dates).....	32
PCP Implicated	
Suspicious Commercial Enterprise	
Government's Passivity Attacked	
Reasons for Angolan Stance	

## SPAIN

PSE's Benegas on Basque Political Scenarios, ETA (Jose Maria Benegas Interview; YA, 7 Oct 84).....	39
Gonzalez-Fraga Meeting Calls for Dialogue, Consensus (EL ALCAZAR, 4 Oct 84).....	44

## MILITARY

### FEDERAL REPUBLIC OF GERMANY

Manpower, Doctrine Disputes Delay Defense Budget Action (DER SPIEGEL, 8 Oct 84).....	47
---	----

## GREECE

Possible Military Technology Cooperation With Israel (I KATHIMERINI, 21-22 Oct 84).....	51
--	----

## PORTUGAL

FRG Minister Discusses Frigate Assistance (DIARIO DE NOTICIAS, 18 Oct 84).....	52
Air Force Role, Development Plans Analyzed (Brochado Miranda Interview; A TARDE, 12 Oct 84).....	53
Recent Rise in Conscientious Objector Numbers (A TARDE, 16 Oct 84).....	59
FRG Possible Source of New Frigates (DIARIO DE NOTICIAS, 15 Oct 84).....	61
Briefs Joint Spanish-Portuguese Maneuvers	62

## SPAIN

Rail Line Closures Pose National Defense Impediment (Fernando Rueda; YA, 1 Oct 84).....	63
--	----

## SWEDEN

Military Granted Funds Increase; Pushed by Moderates, Forces (SVENSKA DAGBLADET, 26 Sep 84; DAGENS NYHETER, 2, 6 Oct 84)..<	65
Several Conservative Party Bills, by Elisabeth Crona	
Armed Forces Chief's Request, by Sven Svensson	
Air Force Commander Comments	
Newspaper on Defense Requests, Editorial	
Government Proposes Funds Increase, by Sven Svensson	

## ECONOMIC

### FINLAND

Obstacles To Joint Production Schemes With USSR Described (Heikki Arola; HELSINGIN SANOMAT, 10 Oct 84).....	71
--	----

### ITALY

Analytical Report on State Deficit (Salvatore Gatti; L'ESPRESSO, 23 Sep 84).....	74
Employment Ratio Between Industry, Agriculture, Services (Giuseppe Turani; L'ESPRESSO, 23 Sep 84).....	80

## PORTUGAL

Austerity in Economic Management Questioned (DIARIO DE NOTICIAS, 19 Oct 84).....	87
---	----

### Briefs

Arab Bank With Libyan Capital	89
-------------------------------	----

## SPAIN

European Chambers of Commerce Favor Spain's EEC Entry (Jesus F. Briceno; YA, 10 Oct 84).....	90
---	----

Statistical Survey, Impact of Foreign Work Force (YA, 1 Oct 84).....	93
---	----

INI Presents Controversial Shipyard Reconversion Policy (YA, 10 Oct 84).....	96
---	----

## OCEAN/POLAR ISSUES

### FEDERAL REPUBLIC OF GERMANY

Alfred Wegener Institute Chief on Polar Research Plans (Nils Morten Udgaard; AFTENPOSTEN, 5 Oct 84).....	98
---	----

### NORWAY

Details of Polar Institute's December Antarctic Expedition (Cunnar Grytas; ARBEIDERBLADET, 26 Sep 84).....	102
---	-----

## STALINIST WING NEWSPAPER: DEFENSE PANEL MUST VIEW CRUISE MISSILES

Helsinki TIEDONANTAJA in Finnish 3 Oct 84 p 2

[Editorial: "The Defense Committee"]

[Text] A few years ago, having submitted its report, the Third Parliamentary Defense Committee did not want to deal with the consequences the installation of American mid-range nuclear missiles would have on Finland's security policy.

We may contend that, at the specific demand of the Foreign Affairs Ministry, the majority of the Defense Committee left the Euromissile issue entirely undiscussed. At the time, the action was justified on the basis of the fact that it was not yet even certain that the missiles would be installed in Western Europe.

Now, installation of the Euromissiles in Western Europe has begun. Cruise missile flight trajectories may in some cases also violate Finland's air space, so Finnish concern over the Euromissiles is quite justified. And the missiles can be used against Finland too.

For a couple of years now discussions have been engaged in in Finland over the appointment of a new parliamentary defense committee. In replying last spring to questions raised on the issue in Parliament, Defense Minister Veikko Pihlajamäki announced that the government would appoint a new committee as early as the second half of the year.

If a new committee is appointed, its functions should not be limited to discussing solely, or even mainly, those expectations relating to Armed Forces procurements which will evidently once again be raised at General Staff meetings. Given the present international situation, this neither can nor even should be permitted to be the chief function of the Parliamentary Defense Committee.

On the contrary, the chief function of the Defense Committee must be to explain how the installation of the American mid-range nuclear missiles in Western Europe will affect Finland's security policy, what kind of changes in the threat aspect and the defense system installation of the Euromissiles will produce.

The symmetry in defense policy demanded by some conservative circles is not in keeping with — nor has it ever been in keeping with — the security policy situation requirements existing in Europe and especially Northern Europe. We must now finally get rid of symmetry, since it does not correspond to Finland's basic security policy interests.

11,466

CSO: 3617/10

COMMUNIST FACTIONS RUN ON DIFFERENT LISTS IN LOCAL ELECTIONS

SKDL Candidate Deserts Joint List

Helsinki UUSI SUOMI in Finnish 1 Sep 84 p 5

[Article: "Communists on Different Lists in Helsinki"]

[Text] On Friday, a representative of the SKDL [Finnish People's Democratic League] submitted to the Helsinki central election committee a list of candidates from which members of the so-called "minority" were missing. At the same time, minority members have begun to collect names for their own election slate.

The time for nominating candidates ends Monday at 4 pm, so that in theory it is still possible for a joint list to be achieved, but this is unlikely, according to the parties involved.

Election cooperation between the two sides seemed to have failed mainly over the fact that the majority did not consent to accept onto the list city council member Anna-Liisa Kuittinen, who had earlier been expelled from the People's Democratic council delegation.

Stalinist Paper Attacks Splitting

Helsinki TIEDONANTAJA in Finnish 4 Sep 84 p 5

[Editorial: "'Axe Line' Is Divisive"]

[Text] In many municipalities the rightist axe line, which is influencing the People's Democratic movement, has seen to it that some of the candidates proposed by part of the Democratic organization will not get onto the SKDL's slates of candidates in the fall municipal elections.

In Helsinki, Vantaa, Espoo, Hyvinkaa, Vaasa, Tornio, Riihimäki, Hollola, Ylöjärvi, Nurmijärvi, Tuusula and Laitila, Communists and uncommitted Democrats have had to insure their participation in the municipal elections by forming [their own] election associations.

The rightist axe line, which has positions of influence in the leadership of both the SKP [Finnish Communist Party] and the SKDL, is accelerating the break-up of the People's Democratic movement through its exclusionary activities. At the same time, they are taking away from the Communist and People's Democratic movements the mass support that had been obtained through decades of persistent work.

Responsibility for exclusionary and divisive activities is upon the leadership of the SKP and the SKDL, principally Aalto, Aitamurto and Kivisto, who have not made the slightest effort to prevent the break-up of SKDL election slates. Quite obviously, acceleration of divisive activities fits in with the plans that the rightist group that dominates SKP leadership has for the near future.

The reason for the break-up of the election slates can be found in the attempt by the rightist axe line to limit the influence and position within the People's Democratic movement of those forces that represent policies in the interests of workers, and that oppose class harmony and a policy of historic compromise.

The undermining attempts directed against the position of the forces based on party and class, if they succeed, will reap as their harvest a shift to the right in the policies of People's Democratic movement, which some people are wanting to push through.

Thus, in order to protect SKP and SKDL policies that defend the interests of workers and poor people, the efforts of the rightists must be beaten back, and the true aim of their divisive activities--a shift to the right in the policies of the People's Democratic movement--must be pointed out.

9611

CSO: 3617/222

## COMMUNISTS' RIFT PUTTING STRAINS ON SKDL

Helsinki UUSI SUOMI in Finnish 22 Sep 84 p 2

[Editorial: "SKDL Forced into Decline"]

[Text] The possible transfer of Kalevi Kivisto to the post of governor of Keski-Suomi raises the question of the future of the SKDL (Finnish People's Democratic League). Esko Helle, a parliamentary backbencher almost unknown to the general public, has cropped up as his successor. At any rate, a better-known non-Communist is apparently not available. But will they need a visible leader or an SKDL at all if the SKP [Finnish Communist Party] definitively splits in two?

The SKDL was founded in the midst of a situation in which just the word communism scared many Finns. On the other hand, the Social Democrats and liberal nonsocialists as well imagined that they might get a halter on the Communists with the aid of a front organization.

The SKDL was not, however, capable of carrying out its infiltration mission in the same way as did, for example, the united workers parties in Poland and the GDR. The party nevertheless proved itself to be an excellent cover organization for the SKP in the direction of workers who feel uncomfortable with explicit communism and especially small farmers.

Organizationally, this success led to a surprising and, in the opinion of the current SKP Stalinist minority, dangerous development. The SKDL was intended to be an organization composed of organizations, but it also began to develop its own basic cells and, therefore, individual members.

From the early days, the SKDL chairman was as a matter of principle chosen from districts whose members had no connection with the SKP. Far into the 1960's the SKDL's formal leadership hierarchy, however, remained unknown to the general public, with Hertta Kuusinen above all publicly representing the extreme Left.

With Ele Alenius' chairmanship, the SKDL began to publicly get its own separate districts. The cover organization finally began to attract a few drawing-room socialists. This phase was, nevertheless, a short one since the Stalinist fad swept over student youth and so-called cultural circles.

Time has bypassed the Alenius way of thinking. Since there is in fact in this country a Eurocommunist and Stalinist communist party, there is no room for leftist socialism. Close to the land, Saarinen's "reformist" movement never really attracted many educated people to its party, but even well-known Red theologians acquired an SKP membership card for reasons of convenience.

The SKDL is such a long-established phenomenon that it will not knowingly be tossed away. Perhaps it is still a bit useful as a cover organization, although the emotional fear of communism has largely diminished.

The most honest thing to do would be to elect a Communist as the new SKDL chairman. Publicly, however, they will probably return to the situation of past years: Communists Arvo Aalto and Taisto Sinisalo will strive to become leaders of the extreme Left. Then the party's external image will again correspond to reality.

It is thus consistent with this to promote a nearly unknown theologian-official to the post of first secretary of the SKDL, while at the same time hard-as-nails organization steamroller Aarno Aitamurto serves as SKP party secretary.

11,466

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## SINISALO FORCES MOUNT UNEXPECTED RESISTANCE TO MODERATES

Helsinki UUSI SUOMI in Finnish 23 Sep 84 p 15

[Commentary by Ilkka Juva: "The Forge Has Not Stopped Producing Energy Nor Is the Magic Mill Exhausted: The Comrades Are Forging Their Ruin"]

[Text] Just elected chairman of the Finnish Communist Party (SKP), on 27 May Arvo Aalto proclaimed from his decisive party congress chair that "there will be no return to the mess we were in before" in the party.

Between the lines of Aalto's powerful speech could be read the fact that he himself could not — nor can — see what sort of mess the party is drifting into. He nevertheless predicted that, unless the party is capable of moving toward true unity, "the logic of events themselves will now direct our course toward separation."

The SKP is on that course. Irrevocably.

The roots of the SKP's internal struggle lie deep inside the SKP, the international communist movement and Finnish history. Many of today's shots are also fired from the trenches of history.

The battle situation evolved to its extreme point in the 1960's when Stalinism lost its position in the party leadership. With the events that occurred in Czechoslovakia the boundary lines were clearly drawn and they were formalized in the early 1970's with a "factional agreement" through which two headquarters and two organizations have been in operation in the SKP.

This is the mess Arvo Aalto put an end to at the party congress last 20 May. At the end of next month the SKP Central Committee, composed of only Aalto supporters, will strike the next blow, alleged to be the final one, to the ranks of the Stalinists. Then all that will be needed is the special congress demanded by the Stalinist districts, which will lead to — so they say — the birth of two communist parties.

"Rotten Compromise" Wasn't Good Enough

At the May congress Erkki Kauppila, the Aalto-supporting chief editor of KANSAN UUTISET, warned moderate district delegates that now is "the eleventh hour" to switch from a factional division to a rule-governed way of life.

Kauppara saw the cold figures. In the mid-1970's the moderates were still gathering their fighting forces for the attacks of the Stalinists and the affiliated Soviet party. Every time they were hit, they just got angry and struck back. Now, in the spring of 1984, their strength was at an end. In the party congress elections the top moderate names received less votes than the top Stalinists. Only the factional agreement kept the majority a majority. This was the cold truth, especially when the so-called third line is counted as a supporter of the Stalinists.

The membership card exchange weeded out more moderates than Stalinists. SKDL support figures in the opinion polls also told the same story: The SKDL's uncertain supporters vanished while the categorically hard-line brothers in the faith remained.

The state of affairs was simply such that, if a decision had not been made at the 20th congress, Arvo Aalto's chances would have been nil.

That is why it is surprising that Aarno Aitamurto, who was promoted alongside Aalto, has even now been offering the Stalinists an agreement whereby Taisto Sinisalo and middle-of-the-roader Jouko Kajanoja, who has dreamed of gaining the reputation of being the savior of the SKP, would apparently be included in the party leadership.

But even more surprising is the fact that the offer, which has been dubbed a rotten compromise, was not good enough for the Stalinists.

#### Rich and Poor

The Stalinists acted immensely rich and abjectly poor at the party congress. They thought they would overthrow Aalto with a rollover tactic, but in the deciding vote they were short 11 votes, even though the big brother party's help was fully available at both embassy receptions and at the Hotel Presidentti receptions on the evenings of the congress sessions. Those 11 votes did not amount to much at the 350-delegate congress. Perhaps the narrow margin of their defeat was in part the reason for the Stalinists' shifting to the demand for a new congress.

But, while the moderates have had difficulties in retaining their majority, Taisto Sinisalo also has problems.

Some Stalinists do not give a damn for anything, not even Moscow's hopes. Sinisalo has a full-time job keeping Uusimaa district secretary Markus Kainulainen in line.

He knows too that the Stalinists' biggest fist, the enthusiastic young people, have lost both their zeal and their youth.

Matti Hyvarinen, the former chairman of the Socialist Student Union (SOL), gives an accounting of 37 young Stalinist failures:

"We seek a profound explanation of the world, but we have not discovered the significance of our own experience," Hyvarinen said.

In his opinion, the decade of the 1970's was a war (for young Stalinist Communists) "that left tragically many orphans and cripples in its wake."

If Sinisalo did not feel that his own position was in danger of being weakened, he would scarcely be demanding a special congress. It would be wiser to keep quiet and wait. Nothing but.

#### CPSU Holds It Together

The Communist Party of the Soviet Union (CPSU) is permitting the breakup of its affiliated Swedish party. It is even operating behind the scenes of the division of the Spanish party. But the CPSU has kept the SKP united.

The CPSU has constantly, and now too, supported the third line's Kajanoja. Its relations with Aalto have remained cool despite the fact that Aalto asserts that "Finnish Communists will be friends of the Soviet Union until they die." "That side over there" is rosier than the existing one."

The CPSU has been the hoop that holds the rotting barrel of the SKP together. The slow-moving CPSU has not yet consented to a breakup of the SKP. It is pointless to at this point predict a change in CPSU attitude, but we do know that no Finnish Communist effort will prevent a breakup unless the CPSU is behind it. The matter will be affected by many factors, among others the development of the international situation.

#### New Party Is Already Ready

For years now the Stalinists have been getting ready to found a new party. The Socialist Workers Party is on the party list. It has a press, Kursiivi, and, as a source of funds, the travel agency, Ystavyysmatkat (Friendship Trips), among others. Now the Stalinist leadership has also gotten itself offices in downtown Helsinki.

Activities conducted within the SKP through the TIEDONANTAJA Association would be transferred as such to the new party. Everything is ready if....

#### Ragged Boundary Lines

In talking about the SKP, the factional division is usually reduced to a moderate majority and a Stalinist minority. In fact the boundary lines are considerably more ragged than that. Among the Stalinist leaders, Sinisalo and especially Seppo Toiviainen are still striving for collaboration, but Kainulainen openly advocates a split.

Kajanoja does not have what would be required to found his own party, but his third line views receive support from both camps.

Aalto would not like to be the chairman during whose term the SKP splits up, but some of his supporters are strongly in favor of breaking off relations with the Stalinists.

Because of this uncertainty, even those who still talk of the possibility of unification admit that some people will in any event leave. There is also reason to remember that last spring the SKDL socialist leadership intimated that it would found a socialist party if the SKP moderates did not win out over the Stalinists.

#### SKDL's Unfortunate Position

In this chaotic situation the position the Left-wing worker movement cooperative organization, the SKDL, is in is an unfortunate one. During the SKP's religious war the SKDL has been the voice of reason in the People's Democratic movement. Now that the moderates, who are close to the SKDL leadership, are gaining the definitive upper hand in the SKP, in the SKDL member organization, the SKDL will have to fight for the right to exist. It is no longer differentiated from the SKP as naturally as it was before.

From the SKDL's standpoint, the fact that its leadership is changing is unfortunate. Socialist chairman Kalevi Kivisto appears to be transferring to a governorship and independent Communist first secretary Jorma Hentila to service with Alko [state liquor monopoly]. The SKDL will have to elect new leaders for itself in a situation in which real creativity will be required of the leadership.

The SKDL congress will be held at the end of May in Tampere. A special SKP congress may be held before the SKDL congress. No one can be certain under what circumstances and who that congress will elect to the leading posts in the SKDL. To boot, support for the SKDL is doomed to decline in this dull, contented society.

#### Noble Ideals and Mean Moods of the Eve

The SKP has more principles, emotional values and unfulfilled dreams than any other Finnish party. Predicting its fate is harder than for any other party. In doing this different rules hold true.

We may be sure that the party will break up. But at which point is now uncertain.

There are people in the SKP who may baste thin threads between the factions. Finnish-Soviet Society chairman Erkki Kivimäki is such a person. He has abandoned Aalto, but avoided labeling himself a Stalinist. He was asked to chair the SKP International Committee, a post that Ville Pessi and Taisto Sinisalo have held. Kivimäki declined and Esko Vainionpää was chosen for the post to gain interest, which he really does need. Stalinist sources suspect that,

if Aarno Aitamurto were to resign from his post as first secretary anyway, Vainionpaa would fall heir to it. Rumors on which it does not yet pay to greatly rely.

It is clear though that the moderates will not abandon Arvo Aalto. As for the Stalinists, they will under no circumstances endorse Aalto.

While they are constantly negotiating and seeking a solution, the situation is reminiscent of a stalemate. In politics stalemates are no more eternal than encirclements. As concerns the SKP, the Stalinists must in the end concede defeat. It follows from this that either they submit, and the extremist Stalinists resign from the party, or they all leave as one, attempting to show that the moderates are responsible for the breakup.

While the SKP is breaking up in terms of its central policy, some Communists will leave policy as it was. The Aalto faction that is left will be facing a new problem. They will have to show that the SKP is capable of moving in some direction once it has gotten rid of the millstone round its neck. It now seems that the moderates too have become so adept at Communist behind-the-scenes maneuvering that no new openings will be produced.

11,466

CSO: 3617/7

## SINISALO DELIVERS BROADSIDE AGAINST SAARINEN'S MEMOIRS

Helsinki TIEDONANTAJA in Finnish 23 Sep 84 p 7

[Article by Taisto Sinisalo: "Review Course on Saarinen"]

[Text] Writing about his reaction to what happened in Czechoslovakia in 1968, Aarne Saarinen said: "I have, indeed, been asked the question: 'Should we have waited long enough for them to have hanged communists from the lampposts of Prague or conducted mass executions of communists?' A difficult question. But I'd still like to have some proof."

Really grimly said.

Last week a newspaper offered me the galley proofs of Saarinen's book to read and asked me for a statement on it for publication in connection with the publication of the book. The job got done. When one is in the position of a prepublication reader, one feels obliged to express some broader impressions. On the other hand, I know that the personal opposition we have maintained toward Saarinen has given rise to vexation. I do not intend to engage in a debate involving these complex impressions of Saarinen.

While, according to the advance hullabaloo, the book is supposed to be a collection of memoirs, from the standpoint of the reviewer it might be something else. Saarinen has this time, however, presented us with a "review course" essentially aimed at party-internal circles, from his points of view. He probably intended to imbue them with something in the nature of an assessment of the party. To remain silent with regard to such an undertaking would signify the endorsement of erroneous views and arguments.

In his assessment of the evolution of Finnish politics, Saarinen disregards the growth of conservatism that dominated the 1970's and 1980's. In addition to the unchecked, swift decline in support for the SKDL and the SKP, it has been the dominant characteristic of Saarinen's chairmanship. Saarinen touches on this latter sore point only in the belittling manner he has been notorious for before.

The book gives a picture of a man who reviews events and developments as being satisfactory. According to Saarinen, since the 1960's a progressive policy has been followed in this country, the class struggle has died down and the

bourgeois have become kinder. These are certainly not SKP views. Saarinen himself has drawn other kinds of conclusions in, for example, statements he has made at party congresses.

And the whole political tenor of Saarinen's book is as Social Democratic as his appraisal of the situation. The masses, the mass movements and struggles belong to some remote world. In Saarinen's opinion, it does not pay to be shocked at the watering down of the general strike last spring either.

The fundamental position he adopts in the book may be the conclusion: "... a real need for a consensus policy has arisen. This need is not compatible with the principles of the capitalist market economy system." He tries to imbue the policy of a class society, of historical Finnish compromise with the character not only of legitimacy, but even progressiveness to boot.

The governmental experiences of Finland and France have already produced a broader, serious, fundamental and new assessment of worker movement experiences and the administrative system of state monopoly capitalism. The SKP's political leader of past years is, however, outside of such considerations. The new situation, which has created a tactic of integration with the bourgeoisie, the growing role of the ideological struggle and the absolute necessity of relying on the struggle of the masses under circumstances in which relations between the classes are coming to a head are completely foreign to him. It is inevitable that no alternative policy for the Left appears in Saarinen's book. The 20th SKP Congress' battle program for changes and shifts in Finnish policy does not, for example, receive mention.

This same remoteness from sticky situations applies to the book's appraisals of international situations, insofar as they are presented at all. The world that Saarinen, with his meeting with the U.S. ambassador, depicts is completely different from the reality of the prickly communism that is opposed to any progressiveness and is preparing for war which has been set in motion by the forces of imperialism. This being the case, it is no wonder that combatting anticommunism and the powerful wave of anti-Sovietism and the present state of the peace movement and the tasks to be accomplished are, pertinently so, completely excluded from his review.

SKP-CPSU relations are, of course, a different matter. They occupy a rather dominant position in the book. And, in his presentation of these issues, Saarinen is an embittered man, rendering an account of his failure, but shifting the responsibility for it to others.

A nationalist attitude that has gotten worse from year to year, a narrow national way of looking at things combined with a very subjective way of thinking, has dominated the positions Saarinen adopts. From it also arises, for example, open disparagement of the SKP's underground period. And, although Saarinen does not now level his charges of a fifth column movement associated with that period, he repeats the same accusation against the SKP "Stalinist minority" in all its intensity.

Such points of view do not represent SKP views, nor are they to be equated with any "moderate" ideas, although Saarinen has taken the liberty of speaking in their name.

The frankness with which the man relates his participation in the SKP hard-liners' "repeated screening" actions against the development of SKP unity over the past couple of years, "Kajanoja adherents" and "Stalinists" emphasizes the narrowness of Saarinen's present position. On the basis of these premises, the book promotes a raw power struggle as a program for the downright disintegration of the SKP. The publicity they have striven to give the book in the bourgeois press and in television circles has also served this objective.

Saarinen himself belittles theoretical endeavors. This does not prevent him from proclaiming Marxist-Leninism to be merely symbolic in value and a kind of sectarianism. When he at the same time boasts of having walked in the footsteps of Otto Wille Kuusinen, one at least wonders where the limit of the virtue of modesty lies.

Saarinen's book is a continuation of a number of political articles that have been issued these past few weeks in favor of conservatism and to defeat the SKP. Active municipal election issues.

11,466  
CSO: 3617/7

## SOON TO BE SKDL GENERAL SECRETARY REIJO KAKELA COMMENTS

Helsinki KANSAN UUTISET in Finnish 29 Sep 84 pp 2,3

[Article by Ari Heinonen: "The Next First Secretary of the SKDL Reijo Kakela: This Party Has No Reason to Be Ashamed or Disheartened"]

[Text] "This party's vital issue lies in the fact that it can inspire people to make decisions about their own lives.

"This party has real cause for being proud of its achievements and none for being as disheartened and ashamed as it is now.

"In this party we could abandon even its last Stalinist trait and promote members to become leaders of the party."

This is how Reijo Kakela, 41 and the father of two children, an Education Ministry special investigator working on adult education, a bicycle-hobbyist with a bachelor of divinity degree, a member of the SKDL [Finnish People's Democratic League] since 1968 and a member of the SKP [Finnish Communist Party] since 1971, talks.

The SKDL party administration has nominated him as a candidate for the post of first secretary of the party to succeed Jorma Hentila, who is transferring to Alko [state liquor monopoly]. The SKDL Party Council will decide on the matter at the end of October.

The changing of the SKDL first secretary has aroused more public attention than the changing of a party secretary usually does. Arriving at a VIIKKOLEHTI sauna, Kakela fretted that he was not really used to such publicity. Nevertheless, one has to learn.

### Religious?

Before joining the SKDL, Reijo Kakela was in the SDP (Social Democratic Party). However, he found his political home in the SKDL.

"In a way I reached my decision through consideration of the concept of peace. We were drafting our peace policy program in the SDP and talking especially about the fact that the most glaring contributing factors to peace are social —

that is, peace is not merely the absence of war. In connection with them, in the SDP I ran up against ways of thinking that I couldn't view as my own," Kakela, a former "Committee of the Hundred" member nigh on to 20 years ago, recalled.

"For me peace is still a central issue. The ideals of my youth are in general also still important to me.

"Social justice too constantly inspires me to engage in these activities. I feel that a human being ought to have the chance to realize his most authentic humanity," Kakela said quite seriously, although he did then ask whether he had expressed himself solemnly enough.

However, religious questions are not important to Kakela, even though he has a bachelor's degree in theology. "At that time, as a 20-year-old, I was interested in religious questions. In the Rooperi section of Helsinki we were a whole bunch of boys involved in parish activities since there was nothing else and since I too grew up in a church atmosphere.

"I've never described myself as being religious and I left the church a long time ago. Those questions don't interest me at all any more," Kakela concluded the discussion of that topic.

#### Unfashionable

Kakela has reached a unique decision inasmuch as he is getting involved in politics at a time when withdrawing from politics is more fashionable. Why?

"Politics is the only way to take care of people's affairs," Kakela replied, at first in a not very enlightening manner, but then he went into it in more detail:

"I feel that in politics it's important to inject what is very personal into this social activity focused on the immediate features of our lives. That is, behind going into politics is the fact that I can't imagine that only I am a factor in changing the world; other people must always be involved as well.

"However, the activities of the parties have been in part quite rightly criticized for representing the interest of the state with regard to its citizens, whereas it should be the other way around.

But, on the other hand: Is there any other form in which organized debate can be engaged in in a society than political parties? Or in which decisions can be made in an organized fashion so that a larger group of people than at chance meetings may participate in debate and decision-making?

"And is there an actual situation in evidence in which people might lead their society without such a structure for organized debate? I don't think so," Kakela said. "At least in the parties there are in principle opportunities for democratic debate and decision-making."

## Toward a Separation from Stalinism

Kakela does not, however, deny that the party system could be improved. According to him, for example, in the SKDL they could abandon the last of those features that may be called Stalinist.

"These features are associated with the administrative work of the organizations. Especially in the party, the central administration still determines an awful lot. It easily happens that the party does not reflect the thinking of its members, but the opinion of its leaders made public beforehand is often reflected through its members one way or another.

"Another feature is the fact that the courage to look at the society as it is is lacking. Especially to the Stalinists, the world is seen through preconceived notions. Associated with this is the desire to know what is in people's best interest."

According to Kakela, however, much that is positive has happened in the SKDL. He described the current atmosphere as being very good, a great deal of courage to discuss matters and not necessarily to immediately rule out discussion.

Kakela is, nevertheless, concerned with respect to means and goals. "If there begins to be a very big discrepancy between them, we ought to consider whether the goals we have set ourselves are quite the right ones.

"The moderates are in very great danger of beginning to in their activities stress means that are not compatible with their goals. The moderates have had few people who greatly simplify the world, in party-internal issues, for example.

"The key to the moderate majority's success does not lie in merely solving organizational problems. Success will come from the soundness of our analysis of the society and the objectives derived from this," Kakela emphasized.

## Matter of Life and Death for the Party

According to Kakela, the SKDL has not noticed how the society and people have changed. In failing to do so it has also lost opportunities.

The change, according to Kakela, has been twofold. On the one hand, capitalism has become compartmentalized into people's family circles and, on the other, people honestly believe themselves to be freer of all influences than before. And the party has not sensed this specific kind of spiritual emancipation, liberation.

"Up to now we've fought primarily only for economic freedom, promoting the development of social security, education, etc. There is no reason to give these up, but we should find ways of operating that taken the change into account.

"Alas, I have no ready-made formula for getting through to compartmentalized people. That can't be found by one person alone."

Kakela, however, emphasized that nothing is achieved by imitating old patterns. "Our usual way of constructing our organizational world is by copying the old world. But you can't bring the old world back to life by copying it.

"The old worker culture can no longer be saved by imitating it; we have to create a new one. We have to get modern man to participate in it in those ways he really wants to.

"This is a matter of life and death for the party. We cannot be a party that invites people to vote for itself according to a political calendar. The life of the party is based on the fact that it can inspire people to make decisions about their own lives," Kakela emphasized.

#### Change of Leadership

A candidate for the leadership of the SKDL, Kakela would like to get its members to lead the party. "It may even be that some structures should be changed so that we can get people to lead the party in more direct fashion.

"I don't, however, go along with the assumption that the current party system has run its course. It's a very sensible way for people to get together, but within it — and especially in this party — the principle of people's control over their own lives ought to be important.

"As I see it, there is no conflict between party activities and the activities of other civic organizations. On the other hand, it is pointless to delude oneself into believing that something revolutionary would really begin to occur by creating independent little islands in our society."

This is what Reijo Kakela said in the VIIKKOLEHTI sauna in Herttoniemi in Helsinki.

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## SOVIET KARELIAN REPRESENTATIVE PRAISES STALINIST NEWSPAPER

Helsinki TIEDONANTAJA in Finnish 4 Sep 84 p 5

[Article: "Soviet CP Representative: 'TIEDONANTAJA Has Great Significance'"]

[Text] About 130 people took part in the fall celebration of the Southern Karelian district organization of the SKP [Finnish Communist Party], held in Vuoksenniska in commemoration of the 40th anniversary of the end of the War.

Svetlana Abdulina, representative of the central committee of the Communist Party of the city of Viipuri [Vyborg], who participated in the occasion, emphasized strongly in her greeting the significance of TIEDONANTAJA in the work of Finnish Communists.

"Through consistent application of patriotism and internationalism and with the help of Marxist-Leninist principles, you Finnish Communists have passed through difficult trials with honor, and you have become an influential national force," said Svetlana Abdulina.

"A great share in this process has belonged to the Finnish Communists' newspaper TIEDONANTAJA, which for 15 years has spread the principles of communism and internationalism to groups of workers.

"The great role of a newspaper in revolutionary struggles and in the formation of a communist party was emphasized often by Vladimir Ilyich Lenin. The significance of the newspapers ISKRA and PRAVDA, as well as PROLETARIY, which was published in Viipuri, to the Bolsheviks' revolutionary struggle is well known.

"Let me congratulate all TIEDONANTAJA workers and all who are assisting in its publication and distribution and hope that it will more than ever unite the ranks of the Communists."

The speaker greeted all the Communists of the Southern Karelian district in the name of the Soviet CP's Leningrad area committee and the Viipuri city committee, as well as of all the Communists of Leningrad city and area and Viipuri city and district, who are all promoting the strengthening of bonds of friendship between the peoples of Finland and the Soviet Union through untiring activities.

Taisto Sinisalo spoke at the Southern Karelian SKP occasion. Songs from the program "Kuivin jaloin" [With Dry Feet] were presented by Kristiina Halkola and Kay Chydenius.

## VIOLENCE, TIES WITH LIBYA FEARED IN NEW CALEDONIA

Paris LIBERATION in French 19 Oct 84 p 8

[Text] On the occasion of the visit to New Caledonia by Georges Lemoine, secretary of state for overseas departments and territories, a leader favoring independence for New Caledonia expressed his fear of seeing terrorism "inspired" from abroad develop on the island and, together with the LKS (Socialist Kanaka Liberation Party), criticized the boycott of the elections scheduled for 18 November.

The helicopter carrying Georges Lemoine, secretary of state for overseas departments and territories, was to land on 18 October on a sports field on Mare Island (in the Loyalty Archipelago). However, a group of about 40 persons, led by Yewenne, pro-independence member of the Territorial Council and member of the FLNKS (Socialist Kanaka National Liberation Front), prevented him from doing so. The aircraft carrying the secretary of state was forced to land on an open field.

Once again, it was clear that the visit by the secretary of state to New Caledonia, which is on the other side of the world and the last large "segment" of the former French Empire, was not all sweetness and light. Beginning with the first day, 16 October, most of the leaders of the independence movement had decided to boycott Georges Lemoine. Jean-Marie Tjibaou, leader of the FLNKS and, moreover, vice president of the territorial government, immediately refused to attend the meeting with the secretary of state which had been arranged by the High Commission. By this attitude the front sought to show its disagreement with the law prepared by the secretary of state which provides for a referendum on the self-determination of New Caledonia in 1989.

Under a law approved on 6 September 1984 the National Assembly provided New Caledonia with a provisional statute valid for 5 years. The implementation of this law in principle should be accomplished by the election of a new Territorial Assembly of 42 members with broad powers. The election is scheduled to be held on 18 November 1984. The statute also provides for the establishment of an "Assembly of Ethnic Groups" [assemblee des pays] with consultative powers, composed of a college of elected representatives of the people and a "Chamber of Customary Authorities" appointed by the traditional tribal chiefs. This arrangement implies a succession of elections which is to last until January 1985. Now, four of the five pro-independence parties in New Caledonia have refused to take

part in the 18 November elections. They consider that the process leading to the referendum in 1989 is too long and demand "early and unconditional independence." To show its opposition to the boycotting of the election, the LKS has withdrawn from the Independence Front. The four other parties and groups are members of the FLNKS. To respond to the initiative of the government on the "provisional statute," the FLNKS has provided for the establishment of a "provisional government" on 1 December 1984, which is to function like a "shadow cabinet" in the British style.

The problem is all the more delicate since about 43 percent of the 150,000 inhabitants of New Caledonia consist of Kanakas, grouped in tribes which speak 32 different languages. Some 35 percent of the people are Europeans, while the remainder consists of the Wallis Island, Tahitian, Vietnamese, and Indonesian minorities. That means that the French Government, so to speak, must walk on eggs. Under the circumstances the election on 18 November threatens to be turned into a test for or against independence. To make the problem more difficult, four of the five pro-independence groups in the FLNKS have recently established relationships with Libya, where about 15 militant Kanakas have gone to take "training courses," which has led some people to fear explosions of violence at the time of the elections.

On the other side, in the ranks of the anti-independence groups, are essentially the Rally for Caledonia in the Republic (RPCR, close to the RPR [Rally for the Republic] in metropolitan France), which considers that the new statute promises independence only to the Kanakas. Last June, at the time of the European elections, the New Caledonian branch of the National Front of Jean-Marie Le Pen turned in a remarkable performance, getting 15.6 percent of the votes and 20 percent in Noumea [the capital city], whose population is essentially European. There also, these figures lead people to forecast a close election.

During the second day of his visit Georges Lemoine had occasion to be particularly clear: "The choice has become very simple," he said in the course of a meeting held in Calala, a pro-independence area on the East coast of the island. He said: "There are those who want independence in association with France and those who want independence with Libya. It is up to you to choose." This warning was accompanied by the announcement of measures which could be preparatory to eventual independence, in particular a process of "Melanization" [localization] of the civil service over the next 5 years. On 18 October the secretary of state received Gabriel Paita, a prominent member of the Caledonian Union (which favors independence), an interview which confirmed the dissensions within the FLNKS. The Kanaka leader indicated that he would participate in the elections of 18 November. He criticized the radical tendencies within his own party and deplored the "Libyan affair." He told AFP [French Press Agency]: "I do not agree with the advance of international communism into New Caledonia." Paita criticized the fact that "certain people want to make use of terrorism to obtain independence." He declared that: "Some advocates of independence are looking for partners other than France."

The debate is therefore apparently well under way between the militants who intend to make use of the presence of a socialist government in Paris to seize independence as soon as possible and those who have let themselves be won over by the preparatory process leading to the referendum in 1989. It remains to be seen if, on the occasion of the 18 November elections, violence will not deal a harsh blow to a situation which is already rather complicated.

## JUPPE SUGGESTS OPPOSITION STRATEGIES FOR LEGISLATIVES

Paris LE QUOTIDIEN DE PARIS in French 28 Sep 84 p 5

[Interview of Alain Juppe by Florent Leclercq]

[Text] On the eve of the RPR's [Rally for the Republic] "parliamentary days," the advisor to Jacques Chirac, the new European deputy and the next guest of Midi-Press on Sunday on channel 1, issues a warning to the opposition, if it wants to win a significant victory in 1986.

He says it should clarify its position and open up to the "men of the future."

[Question] Are you among those who think that the 1986 legislative elections are all wrapped up for the opposition?

[Answer] I am relatively optimistic, but for a reason which leaves me somewhat dissatisfied. I do not think that the socialists can bounce back, even in the very improbable event that economic and social results are seen before 1986. We saw this at the Puy-de-Dome elections.

[Question] However, Giscard's score is largely the result of the large number of abstentions. Aren't they likely to swing back to the socialists?

[Answer] There could be a shift in these voters from that election, but not all of them. And some people who voted for Mitterrand to get rid of the previous regime will do the same in the opposite direction.

[Question] Is Giscard's return a good thing?

[Answer] He provides an element of dynamism for different things, and particularly for the UDF [French Democratic Union]. For 1986, that is good. As for after that, for 1988, we will see.

[Question] But isn't there a risk in his exploiting the theme that the opposition wants restoration and not a new start?

[Answer]. The risk would be to say that the same risks will be taken for the same plan.

We must be realistic, the presidential hopefuls will not change between now and 1988. To do away with this fixation on restoration, what we must do is change the team surrounding him and bring in new people, and, especially, make it clear that we will not pursue the same policies, that we are really determined to have France embark on a new era of greater freedom and greater liberalism.

[Question] Then what is it that you are "somewhat dissatisfied" about, as you mentioned earlier?

[Answer] I am afraid that the opposition will win by default....

[Question] Which could limit the extent of its victory?

[Answer] Which could first of all reduce it in mathematical terms. That would enable Mitterrand to take advantage of the division in the ranks. Moreover, I think that the more he thinks he can take advantage of the divisiveness of the opposition, the more he will put into it. His game is clear; namely to push Le Pen to say to us: either you go along with Le Pen or you agree to my centering operations. The second consequence is more serious, at least in the long run, as it would hamper the change in people's attitudes, a return of confidence without which the economic trends will not reverse themselves.

[Question] Isn't this confidence factor in danger of appearing as the miracle potion of Dr Chirac, who made it the theme of his talk on the l'Enjeu program?

[Answer] They distorted what Jacques Chirac said, to make it sound as though he were saying we are in, confidence has been restored, and the problems are solved. What we were actually saying was everything hinges on the first three or four months, and either there is confidence or there is no confidence. But if this happens, it does not mean that all the problems are solved. Economic results are seen in facts, and it takes 3 or 4 years. In the United States, for instance, after Reagan took office, there was an incredible psychological shock, but the recovery took several years....

[Question] What would you say to Fabius, who said of you: "They promise us the best of Reagan, but they will do the worst of Thatcher?"

[Answer] I would say that it will be that much more difficult to avoid Mrs Thatcher's problems the longer the socialists remain in power. If she had a hard time succeeding, it is because she inherited 10 years of Labor Party socialism, which Reagan did not have to cope with. To avoid the trap referred to by Fabius, the best thing would be to get the socialists out.

[Question] Are you a Reaganite?

[Answer] I prefer to be compared with people who succeed rather than with people who fail. Having said this, since I am not an economist, I am not in the habit of categorizing and I do not belong to a clique of specialists.

But if I have to choose between a planned economy and liberalism I would choose liberalism without any hesitation, and not a system which has proven to be ineffective and which should be replaced.

[Question] What then should the opposition do so that its victory is not just a rout of the socialists?

[Answer] First, we must act quickly on the opposition's political platform. We must respond to the government's counter-propaganda to the effect that "they do not have anything to propose."

[Question] Don't you think that this counter-propaganda is fed first by the fact that there is an RPR plan and various UDF proposals, but no single program supported by the opposition as a whole?

[Answer] There are three things that must be done. First, we need to spell out everything, even within the RPR. We have to cut out of our plan for society our recovery program, and the various contributions made at the Club 89 and elsewhere, we have to simplify and revise certain things, to come up with a simple document, which clearly gives our position on French people's major concerns: employment, security, immigration, education, personal freedoms, relations with enterprises, etc. Here our task is to give real answers to real problems. We have them. But, we have not yet been able to express them clearly and strongly enough.

The second thing we must do is to gather together all the pieces scattered among the various sectors of the opposition. And, I repeat, in my view establishing a common platform is a top priority. We must be able to sign our names at the bottom of this plank next year. We are nearly ready. The proof is the RPR text on the economy and the UDF paper I have here which, with a few minor exceptions, say the same things. I hope that no member of the opposition will create any obstacles to them out of personal motives.

The third requirement is that the opposition must show in its common platform that it is also capable of attracting the men of the future. We do not want to get rid of the men whose experience we need, but rather expand our horizons and teams, and show the French people that in 10 or 15 years, we will have men in power to implement our plans.

[Question] Do you think that the men of your generation should begin now to take steps in this direction?

[Answer] We must not create a generation problem in the RPR. But, we must create debate. With the three or four people who spoke out on this this summer, perhaps we have helped hasten the opening of this debate. But, we do not want to organize a debate between a group of men under 45 and a group over 45 years old. More specifically, we said that for power to change hands, one has to take a different tack to remain credible, but be just as firm.

[Question] Should this firmness go so far as to refuse any compromise with the government, for instance on subjects which are topical, such as the electoral law or the fight against poverty?

[Answer] One must be cautious. Dialogue of course has its virtues, and I am very much in favor of it. First there are assemblies, which are still the best

place for the majority and the opposition to meet, and there are of course local assemblies as well. So, do we really need to create others? Then, what seems dangerous to me in the approach of the current government is the motives behind what they do.

There is a trap involved in leading one to believe that beyond the conflict of ideas, there is a certain fraction of the opposition that is prepared to work with the government in power. I personally would be very cautious with that type of thing, because you cannot mix apples and oranges. And the public is sure to figure out what is going on; it will have no trouble seeing that the socialists are only trying to save the day. It has been making them pay for their excesses and their intolerance since 1981. But it's true that, if we follow the same tack, the public will undoubtedly make us pay just as dearly for it.

#### RPR "Parliamentary Days": Chirac to Give the Floor to Youth

The RPR parliamentarians are meeting for three days starting today at Port-Barcares, in the Eastern Pyrenees, for their traditional "parliamentary days" preceding the start of the independent session. To put an end to the generations' debate which divided his people this summer and somewhat irritated him too, Jacques Chirac decided to let the older politicians as well as the young ones speak.

After being welcomed by their host, Paul Aulduy, senator and mayor of Perpignan and a socialist before the joint platform, Claude Labbe, president of the RPR group in the National Assembly, will give the traditional opening speech. Then, participants will have six working sessions, two a day, on the main topics of the political platform of their group. Several meetings will be led by the young parliamentarians, including Michel Barnier, Jacques Godfrain, Michel Noir, Francois Fillon, etc., some of whom have not been popular in recent times with the leaders.

To devote more time to a detailed analysis of his plan for society, which he hopes will lead to a sort of "synthesis" between Gaullist "origins" and the modern requirements of liberalism, Jacques Chirac's party has decided to sacrifice the day for tourism and relaxation which cut the meeting in two. Thus there will be three days of analysis and debate. They will come to an end on Sunday afternoon with a speech by the president of the RPR, who will have an opportunity to make his voice heard after those of the UDF leaders, at the other end of the Mediterranean coast.

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## SOVIET ACTIVITIES, AIMS IN AFRICA EXAMINED

Paris LE FIGARO in French 26 Sep 84 p 2

[Text] The first term of Ronald Reagan has at least coincided with a complete halt to the movement of territorial expansion that the communist system knew in the sixties. From this point of view, the American president has kept the basic commitment that he made during his first election campaign, and has even done a bit more, since the communist world has lost one of its bases with the island of Grenada, certainly of infinitesimal size, but an event so rare in the past that it is worth mentioning.

This global report is not, however, sufficient for an accurate evaluation of the actual state of the communist world on the eve of the American elections. Territorial conquests were so rapid, they occurred in areas so distant from one another and they showed such signs of instability and incompleteness that it was important to verify if their links with the socialist world would be strengthened or weakened in the future.

It can be stated that through sometimes dramatic episodes, at a cost which was sometimes high and in a way which was unequally confirmed at any rate, the general tendency toward the consolidation of the system in its various compartments prevails over the tendency toward weakening, dislocation, a fortiori, explosion.

Such a global evaluation could only come from a detailed study of the various compartments which participate in the functioning of the system. But the importance for France of its relations with Africa in the coming weeks leads us to observe with particular attention the remarkable process of consolidation that the "States of socialist orientation" of Black Africa are now going through.

We know that, for the orthodox communist of soviet obedience, the final stabilizing of a "pure" socialist regime cannot take place unless the power, whatever the manner in which it originally turned towards socialism, was incarnated in a communist party of the classical type.

It is then very significant to point out that, in the last two months, the annual meetings of the communist parties in four of the dozen African states which have officially been designated as "States of socialist orientation" were held. One of the four states, Zimbabwe, had until now received only the designation "anti-imperialist" and "progressive," a status prior and inferior to "State of socialist orientation."

From 17 to 31 July, in Brazzaville, the third congress of the Congolese Labor Party (PCT), in the presence of K. Demirtchian, first secretary of the central committee of the Armenian Communist Party and member of the CPSU, reelected Colonel Denis Sassou-Nguesso as president of the People's Republic of the Congo and president of the central committee.

On July 31, General Mathieu Kerekou, (sole) candidate of the (only) party, was reelected president of the People's Republic of Benin by the revolutionary National Assembly.

On August 12, in Harare, the second congress of the African National Union of Zimbabwe, in the presence of Ponomarev, vice-president of the committee of control of the central committee of the CPSU, committed itself, in order to establish its socialist option and despite the Lancaster House agreements (1979), to the path of creating a single marxist-leninist party ranking before the government, and has already elected the prime minister Robert Mugabe as its first secretary and to preside over the political bureau.

#### Reinforced Political Structures

Finally and in particular, from 10 to 13 September, in Addis-Ababa, for the tenth anniversary of the Ethiopian revolution and following the VIII plenum of the central committee of the organization commission (COPTE), the first constituent congress of the Ethiopian Labor Party, "vanguard of marxist-leninist training", elected to the office of secretary general Lieutenant Colonel Mengistu Haile Mariam in the presence of Grigoriy Romanov, member of the politburo and secretary of the soviet central committee, Erich Honecker, president of the GDR, Todor Zhivkov, head of the Bulgarian state, Ali Nasser Mohamed Hasani, president of the People's Democratic Republic of Yemen and Commander Jalloud, the number two Libyan.

Of course, this reinforcement of the political structures of a certain number of African states which claim to be of "socialist orientation" has not yet permitted them to wipe out all domestic political and military opposition: in Zimbabwe, the ZAPU [Zimbabwe African People's Union] of N'Komo, in Mozambique the RENAMO, in Ethiopia, the Eritrean guerrilla movement active up through Tigre and in the Wollo, in Angola the UNITA [National Union for the Total Independence of Angola] of Joseph Savimbi operating in the southern and central portions of the country all testify to the fact that the authority of the soviet power installed there has not yet been imposed on the entire territory which in principle belongs to it.

This reinforcement of the political structures also cannot make anyone forget the dramatic economic situation in which most of the states of socialist orientation find themselves--from Mozambique to Madagascar. Three hundred kilometers north of Addis Ababa begins the country of drought and famine--a famine at least as serious as the one which destroyed the empire of Haile Selassie in 1973-74.

## Time Does Not Count

The communist world cannot correct the situation there and CEMA, in contrast to what it did with Cuba and Viet-Nam, is restraining from welcoming to its membership states which would become a burden for it without being able to play the role of regional manager to the account of world socialism, as did Cuba and Viet-Nam.

All the successes and all the failures are not equal: two facts characterize the current consolidation of socialism obedient to the soviets in Africa.

The first is that the communist world has learned, after many disappointments, to take its time. This is testified to by the amazing system which consists of taking school-age students from all the States of socialist orientation and transporting them to Cuba, East Germany or North Korea, instructing them there, training them there and making of them, in 15 or 20 years, the communist managers of the future.

This is also proven by the current changes in the division of labor with which each member of the community of socialist states is entrusted as his specialized contribution to the operation of the world communist system.

North Korea acquired an exceptional expertise in the task which consisted of ensuring the safety of the leaders in control of military regimes which had originally gained power by their own means: this is one of the main reasons that these leaders choose to turn to socialism.

Now, it can be asked whether, thanks to this first specialty, North Korea is not already designated to be substituted, in part or eventually, for Cuba and furnish from now on a massive military personnel to the states of socialist orientation like Angola where already the UNITA has come up against North Korean units.

The second fact is that, if the communist world has not hesitated to accept pragmatically what was offered--hence a certain dispersion in the communist dominance in Africa--it remains true that, in the division of labor in all areas, including economic, they have established strong priorities.

The first of all these priorities is Ethiopia, the former Christian empire with strong and centralized administrative structures, a grand total of 32 million people, a country which touches on central Africa on the west, but which also, on the east and southwest, serves as a foothold because of the base at Massaua to Soviet penetration on the Red Sea and the Indian Ocean where Rear Admiral Grobov already has a base of operations constituted by Mozambique and Madagascar, Aden, the Seychelles and Socotora Island.

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## BRIEFS

POLICY TO CHAMPION THIRD WORLD--Discussing the goal of the upcoming international monetary meetings, Pierre Berezgovoys significantly stated, "I will become the defender of the third world and of the policies of President Mitterrand since 1981." The minister will remind the United States of its responsibilities to the western community and the development of the world economy at a time when its financial policy compromises the economic revival getting started in most of the countries and risks destroying the effort for currency stabilization begun courageously by several developing countries. Berezgovoys recalled that international solidarity must take place in favor of the developing countries whose debt stands at 50 billion dollars a year while development assistance is only 34 billion. Francois Mitterrand spoke to support the effort of the Minister of the Economy, Finance and Budget: "France is making an exceptional effort, the greatest of all the industrialized countries in terms of development assistance," declared the chief of state in speaking on this problem. If all the countries, in equal proportions, made the same effort as France, assistance to developing countries would be increased by 10 billion dollars. [Text] [Paris LE FIGARO in French 20 Sep 84 p 7] 9865

ESTIER IN UN DELEGATION--Under the presidency of Minister of Foreign Relations Claude Cheysson, the following have been named members of the French delegation: Christian Nucci, delegate with the Minister of Foreign Relations, in charge of cooperation and development; Jean-Michel Baylet, Secretary of State for the Minister of Foreign Relations; Claude Estier, deputy, president of the commission of foreign affairs of the National Assembly; Jean Lecanuet, senator, president of the commission of foreign affairs, of defense and of the armed forces of the Senate and Michel Barnier, deputy (RPR), Andre Bellon, deputy (PS), Andre Bettencourt, senator (UREI), Jacques Chaumont, senator (PS), Edgar Faure, senator (Rad), Maurice Faure, senator (MRG), Raymond Julien, deputy (app. PS), Claude Mont, senator (UCDP), Robert Montdargent, deputy (PC), Veronique Neiertz, deputy (PS), Bernard Stasi, deputy (UDF), Gabriel Peronnet (rad), former minister of the French Association for the United Nations. The unions will be represented by: Joannes Galland, secretary of the CGT, Albert Mercier, national secretary of the CFDT, Jean Rouzier, confederal secretary of the CGTFO, Jean de Santis, secretary general of the CGC, Jacques Tessier, honorary president of the CFTC. [Text] [Paris LE FIGARO in French 20 Sep 84 p 7] 9865

## PAPANDREOU REPORTEDLY OFFERS TO WELCOME SOLIDARITY MEMBERS

Athens I KATHIMERINI in Greek 21 Oct 84 p 1

[Text] It is possible that Mr Papandreou will let it be understood during his forthcoming visit to Poland that he would be willing to let a number of Solidarity members--whether in jail or free--establish residence in Greece.

This information which, for understandable reasons, could not be verified by the Greek side, has reached a number of West European embassies; while showing great interest in it, these are also skeptical in regard to the Greek prime minister's visit to Poland.

The same Western circles believe that such a spectacular move, with which Mr Papandreou would attempt to impress leftist voters--if indeed it does take place--serves, in essence, the goals of General Jaruzelski, who would thus rid himself of his unwanted political enemies without having to expel them from Poland himself.

It should be noted that Mr Papandreou had justified his stance vis-a-vis Poland in a recent interview, stressing that he understood the Polish leader's policies better than other EEC members.

However, Mr Papandreou had adopted this attitude vis-a-vis Poland even before the Polish leadership had mentioned the possibility of lifting martial law in the country, a precondition that other EEC countries were setting very rightly for a softening stance toward the Polish regime.

CSO: 3521/48

## PAPANDREOU'S FOREIGN POLICY SEEN CONCILIATION OF KKE

Athens I KATHIMERINI in Greek 24 Oct 84 p 5

[Editorial: "Under the Icebergs..."]

[Excerpts] After the burning temperatures in Libya, the search for vain--if not dangerous in the long run--certificates of distinction continued in the frigid eastern winds of Poland. From the Third World dictator al-Qadhdhafi to Moscow's representative, the dictator Jaruzelski--variations of the same motif of leftist military dictators--Prime Minister Papandreou is continuing to weave his eccentric foreign policy. It is a foreign policy that is being presented as multidimensional, but which, in its implementation, crystallizes one-sided sensitivities of rising anti-Americanism and systematized pro-Soviet tendencies.

We all wish to maintain good relations with everyone, as long, of course, as delicate balances are not upset and our foreign support is not weakened, since both are so important for the progress of our national issues.

Moreover, the improvement and the development of our relations with the countries of the Eastern Bloc, as well as the stabilization of our relations with our Balkan neighbors were all achieved by the New Democracy governments, which also "dared" to open a dialogue with Ankara.

Acrobatics of the al-Qadhdhafi-Jaruzelski type and the cultivation of anti-Americanism, studded with pro-Soviet tendencies of the "South Korean jumbo jet" variety are making more complex our "foreign adventures," and do not promote either bilateral relations as mutually satisfactory exchanges or our country's international standing.

The low temperatures of Jaruzelski's Warsaw, where human rights have been buried under the icebergs of an absolute military intervention, surely do not offer the ideal conditions for the blooming of carnations of supposedly progressive initiatives. Carrying around the artificial sun-symbol of the PASOK in the dictatorship's heavy fog can only produce artificial partisan carnations, moving them from the KKE's gardens to the PASOK's orchards in the periods of electoral cultivation....

If this is called the exercise of foreign policy, we have definitively lost the political meaning of words. At least with the specific meaning they have in the vocabulary of genuine parliamentary democracy.

## COMMENTS ON WORSENING RELATIONS WITH ANGOLA

## PCP Implicated

Lisbon A TARDE in Portuguese 12 Oct 84 p 8

[Text] The possibility that the situation in Angola may undergo a change of direction identical to the one that has been occurring in Mozambique has naturally alarmed the PCP [Portuguese Communist Party], which in a way is feeling the ground giving way under its feet.

Hence, it is not surprising that the Communists' official organ, the morning newspaper O DIARIO, should be upset every time the Portuguese authorities assume positions aimed not only at normalizing the relations between Lisbon and Luanda, but also at pacification of Angolan territory.

PCP, for well-known reasons, considers itself a privileged spokesman with the MPLA's [Popular Movement for the Liberation of Angola] Marxist regime; which, moreover, is understandable and would not warrant any major criticism. It seems completely intolerable to us that Alvaro Cunhal's party, with a clearly anti-national stance, should systematically attempt to poison the relations between the two states.

In the pursuit of that goal, the aforementioned newspaper has always emphasized that in its view, the Portuguese positions are always bad, and those of MPLA are always good. Even yesterday, in heavy print on the front page, its headline read "Soares Insults Angola." At a time when diplomatic efforts are being expended on the part of the Portuguese to possibly normalize Portuguese-Angolan relations, it is important not to forget Lisbon's proposal for a meeting on the highest level with the Luanda government to debate unresolved matters and to dispel the misunderstandings claimed by Jose Eduardo dos Santos during his recent stay in Europe. The persistence with which the Communist paper engages in exacerbating the Angolan regime's bad will toward Portugal has assumed the nature of a desperate maneuver.

Those who, like us, think that, transcending ideological interests, there are the interests of the Angolan people who want peace and of the Portuguese people who want to have fraternal relations with them, obviously cannot fail to voice indignation at the behavior of the PC and the paper which drips hatred every day.

## Suspicious Commercial Enterprise

Lisbon O DIA in Portuguese 15 Oct 84 p 10

[Text] The Communists, both the PC per se, in the political realm, as well as organizations of various kinds, including those engaged in the economic sector, are still controlling our relations with Angola, even on the government level.

In fact, the Angolan authorities, deliberately ignoring the existence of the Portuguese Ministry of Commerce or Institute of Foreign Commerce, or even of such institutions as the Portuguese Industrial Association, have undertaken an organization which on several occasions already has been cited as being involved in the arms business and the recruitment of "mercenaries" to serve as "instructors" for the FAPLAS [People's Armed Forces for the Liberation of Angola], to organize an "exhibit" of Portuguese industrial products to be put on in Luanda this November.

This would be acceptable if the invitations to participate in that "exhibit" had been clearly explained, something which did not occur. Absolute secrecy has surrounded the organization of that "exhibit" and the list of respective participants, who are not even known to the AIP [Portuguese Industrial Association] as yet. We have only managed to learn that invitations were sent by the organizing entity (at the behest of the Luanda government) to about 30 firms in the food, glass, hardware, textile, and electrical and electronic machinery, equipment and materials industries, as well as those of civil construction, and light and heavy machinery and metal machinery.

It was also learned that many of the firms contacted were surprised at the manner and the "channels" whereby the invitations were sent to them, and are waiting for a justified "clarification" of this odd procedure, before they make a statement regarding whether or not they accept this unusual "invitation."

Although, in the countries with communist regimes, international business is controlled by state organizations, this procedure is quite different; because the Portuguese pseudo-business organization which the Luanda government assigned to organize the "exhibit" has been well known for years for the nature of its operations, in which logistical backup for the Luanda government, under the PC's direction, has predominated.

However, it should be noted that this organization keeps accounts in good American dollars of the large commissions accrued from those "commercial operations" backing the MPLA government. And the fact is that dollars are dollars.

## Government's Passivity Attacked

Lisbon O DIABO in Portuguese 16 Oct 84 p 20

[Excerpts] Is there, or is there not, in Angola, a North Korean expeditionary corps consisting of 1,000 or 1,500 soldiers and about 50 officers? An affirmative answer to this question, given initially by the newspaper THE STAR, of

Johannesburg, is being made in an increasingly larger number of news organs, including the Portuguese, while the negative one is being maintained by the Marxist government of Luanda. MPLA's denials do not deserve anyone's accreditation, but nevertheless the fact is that the North Korean intervention has not yet been proven.

Far less credence than that merited by the news published in this regard by the Johannesburg paper, THE STAR, should be given by us to the account published in Bonn by the newspaper DIE WELT, to the effect that there may be chances for success in the United States' efforts to have Fidel Castro order the withdrawal of the Cuban expeditionary corps from Angola. The fact that Angola is still (still, but only partially) under the control of the MPLA is due only to the presence of the Cubans. The Cuban withdrawal would mean the end of the Marxist regime, or the beginning of that end.

With or without North Koreans, the native and foreign government forces are continuing to lose ground and to show their inferiority to an adversary which does not have aircraft, nor armored facilities nor troops coming from outside, but which has in its favor a high degree of combat capacity, with the popular backing of vast areas, with an increasing infiltration into the urban areas and, in particular, an absolutely model guerrilla technique.

Unable to bring about the alleged victories over UNITA [National Union for the Total Independence of Angola], the government propaganda is used as a harping device that has been resorted to lately, consisting of reports of mass surrenders of the FNLA, or Holden Roberto's "National Front for the Liberation of Angola," in the northern part of the country. But even if those reports were true, they would not invalidate the impressions shared by the majority of foreign observers that MPLA is in danger of being swept out of Angola; UNITA has nothing to do with FNLA; and the latter, in turn, is not regarded as an element with a decisive influence on the civil guerrillas.

Essentially, it has been ascertained that MPLA has not succeeded in pacifying Angola during the nearly 9 years in which it has governed, despite the fact that it has diverted most of the national resources for the war effort, has a foreign expeditionary corps, and is not lacking military support from the Eastern bloc and not even American dollars which the oil from Cabinda provides it.

Despite this verification, the head of the Portuguese Government and his foreign affairs minister continue to act toward the MPLA as the romantic sweethearts in soap operas act toward the "macho" men who disdain them.

Individuals who up until now have never expressed opposition to the Marxist regime in Luanda are already beginning to show a certain amount of fear at the passivity of the Portuguese rulers toward the systematic hostility to which they have been subjected by MPLA. Only the leading targets continue to pretend not to notice and to let the public nurture the very spurious notion that the dispute is confined to the question of whether or not UNITA may disseminate its information in Portugal.

If the prime minister and the minister of foreign affairs did not have the remarkable similarity to ostriches which typifies them, they would certainly have explained to the country that the Portuguese-Angolan dispute contrived in Luanda is nothing but a gross interference by the Marxist government of Angola in Portuguese domestic policy, carried out at the request of the PC and developed after the visit by Alvaro Cunhal to Jose Eduardo dos Santos during the first week of April this year.

And no one should be surprised by the fact that the aforementioned Portuguese Communists have hailed with such enthusiasm the campaign against the Lisbon government unleashed and maintained by MPLA. It was they themselves (it was Alvaro Cunhal) who ordered that campaign. What is surprising is the fact that Mario Soares and Jaime Gama are backing their game and letting themselves be used in such a humiliating way: humiliating for them, and, unfortunately, for all of us.

#### Reasons for Angolan Stance

Lisbon DIARIO DE NOTICIAS in Portuguese 15 Oct 84 p 7

[Excerpts] Angola's "offenses" against Portugal are continuing. In addition to the discourteous references to our country by Angolan officials and by the state-controlled press, there have been objective acts by the Luanda government of undeniable seriousness. Every time President Jose Eduardo dos Santos has visited Europe, he has always studiously avoided Portugal, and during the last visit, when he went to Madrid, he went so far as to avoid mentioning the name of our country in the unpleasant comments that he made about it. In addition to this, Portugal has been the object of unfair discrimination in the economic area; we have been excluded from the bidding competition for the oil offshore platform, and the invitation to the forthcoming, important international exhibition in Luanda was deliberately not sent to the Portuguese Government, but rather to the Portuguese Industrial Association. And this despite the fact that, of all the Portuguese-speaking African countries, Angola is the one with which the cooperation and our trade relations have reached the greatest dimensions, involving the granting of loans in large amounts.

Why this malice on the part of the Angolan Government toward Portugal, and what response does it deserve?

As for the first question, we shall begin by noting that in international relations, the actions and reactions of states are, as a rule, based on a logic that goes back to their readily identifiable basic interests.

That logic is not always merely Cartesian, or at least intelligible in terms of Western reasoning. The Marxist countries, those of Karl Marx and Lenin in particular, learned the lesson of realism without fail, of a stringent evaluation of the balance of forces at all times, and of the initiative for action only when, after the risks have been carefully assessed, there is a great likelihood of success.

Angola, a Marxist country, is in this situation: Its foreign policy is based upon a stringent weighing of its interest, and it is not determined by emotional states of mind.

It is true that, during the early years after independence, the anticolonial sentiment still played a certain negative role, of an emotional type, in the relations with Portugal. But now all the Portuguese who left the former colony can attest that this grudge has been eliminated on all levels, and the human contacts have been established with surprising ease.

The explanation for the constant "offenses" involving Angola and Portugal must, therefore, be sought in objective reasons, associated with this country's concrete situation in the context of Southern Africa. The Luanda government is surviving only because of the presence of the Cuban military contingent, armed with Soviet ordnance.

As has occurred in all the countries surrounded by implacable enemies (such as Israel and South Africa itself), defense is a priority asset to which all others are subordinate. Now the defense of Angola depends essentially on the Soviet Union, on its supplies of arms and its indisputable control over Cuba. If and when Moscow, for any reason, should decide to abandon Luanda to its fate, the MPLA government would soon fall. Hence, this government must display constant loyalty to Moscow, translated into a strict alignment of foreign policy positions (for example, voting with the Soviet Union on the UN resolutions on the invasion of Afghanistan), and doing nothing that could alienate its protector.

This does not always happen. Up until the fall of 1983, the Soviet military aid was, in spite of everything, insufficient to provide for Angola's defense needs, struggling with a large-scale offensive by UNITA and the South African invasion on the southern border. The situation was threatening to become intolerable for Luanda, and Jonas Savimbi went so far as to announce that, by the end of that year, MPLA would be forced into a dramatic option: either to begin peace negotiations with UNITA to share the power, or to procure a substantial reinforcement of Soviet-Cuban aid.

The Kremlin hesitated to increase its military assistance and, at that time, Luanda's relations with Moscow underwent a certain amount of crisis, clearly shown by President Jose Eduardo dos Santos' absence from Moscow both at the time of Andropov's funeral and during his subsequent trip to the East European countries.

However, in view of the change of events in Mozambique, culminating in the Lusaka agreements, which were translated into a spectacular victory for American diplomacy, aided by Portugal, and the corresponding defeat of Soviet diplomacy, the Kremlin decided to commit itself to funding Angola's defense. Soviet ships headed for Luanda loaded with modern military equipment, and the Cuban contingent was reinforced, currently amounting to over 30,000 troops.

Obviously, this reinforcement of "fraternal aid" has its price, reflected in an even greater subjugation of Angola's foreign policy to the Soviet Union.

These harsh realities confronting the Luanda government explain its apparent anti-Portuguese attitudes. We cannot forget that Portuguese diplomacy collaborated actively with that of the United States in the effort made to dissociate Mozambique from the Soviet orbit; an effort which, with two Nkomati agreements, and everything which followed, and was to follow, made it possible to start an era of peace, possibly affording the country's economic recovery, when it was on the verge of disintegration. In addition to this, the Incomati agreements have an exemplary value for all of Africa, particularly Angola, because they represented proof that the African countries have far more to gain by practicing a truly realistic, nonaligned policy, which will enable them to gain peace (a requisite for economic development) than from continuing along a Marxist ideological line, in the Moscow orbit, which has never lavished any real assistance upon them, except in the form of military equipment.

To be sure, there are in MPLA many sectors in favor of a parallel evolution on the part of Angola, and Moscow realizes that this is so. But, in the country's current situation, those sectors have to keep a very low profile. The official position must be one of unconditional loyalty to Moscow, which means visible demonstrations of dissociation from Portugal, described some time ago by Alvaro Cunhal as "the Trojan horse of imperialism in Africa."

Hence, the offenses by the Angolan Government toward Portugal must be viewed in this light, and therefore they must be undramatized. They are not a result, as Luanda sometimes claims, of the fact that certain sectors of the Portuguese press have expressed opposition to the Marxist regime in Angola. The MPLA officials have by now realized that the press in Portugal is free and that the government cannot control it. Nor are they, as Luanda also maintains, brought on by a alleged coverage by the Portuguese Government of UNITA's activities in Lisbon. Those activities, if they exist, are extremely discreet (there are no press conferences, nor is there an official headquarters for the movement, nor any visible sign of political activity, except communiqués which reach the editorial rooms of the newspapers, in the atmosphere of freedom of information which exists in any Western democracy). Nor are they, as Mario Soares claimed some time ago, a result of PC's intrigues in Angola, either. Obviously, PC, as everyone knows, operates as Moscow's diplomatic branch and hence it discharges its mission, conveying the instructions from its commanders to Luanda. But this is a detail. The reality, beyond all the official rhetoric from Luanda, is that Angola is more than ever mortgaged to military aid from Moscow, and therefore has in its foreign policy less freedom of action than any Warsaw Pact country has.

The rhetoric from Luanda, during any difficult phase in the country's existence, must be somewhat anti-Portuguese, so as to calm its Soviet allies. However, if one were to attempt to scrutinize the real intentions concealed by that rhetoric, we would quite likely reach the conclusion that the Angolan officials, if they

could, would like to reinforce the political relations with Portugal, and that they will do so as soon as they have that opportunity. Essentially, and but for a few exceptions, the Angolans on all levels feel culturally, psychologically and actually far closer to Portugal and to the Portuguese than they do to any other peoples, particularly the Cubans and Soviets.

Hence, it is up to the Portuguese Government to continue to maintain a dispassionate attitude toward the Angolan "offenses," at the most responding to rhetoric with rhetoric in the same tone; but without changing the policy pursued up until now, of maintaining and even reinforcing the ties with Luanda, but without sacrificing a millimeter of the fundamental liberties in effect in our country, and therefore allowing the Angolan reality and its essential component, namely, UNITA, to be freely debated in the news media organs.

Events in Southern Africa are changing very rapidly, and what has occurred in Mozambique is attesting to it. If Lisbon were to react emotionally, in a retaliatory manner, to the "offenses" from Luanda, contributing to a radicalization of the current crisis in relations, it would substantially reduce its capacity for intervening in Southern Africa; something which would mean another historic mistake for our diplomacy.

2909

CSO: 3542/26

## PSE'S BENEGAS ON BASQUE POLITICAL SCENARIOS, ETA

Madrid YA (SUPL) in Spanish 7 Oct 84 pp 1-2

[Interview with Jose Maria Benegas by Luisa Garcia Franco: "Benegas Says that Garaicoechea's Resignation Would Be Good for the Basque Country"]

[Excerpt] To interview Jose Maria Benegas, who is known as Txiki to his friends and enemies alike, and there is no lack of either of them, I had to go through a Civil Guard checkpoint at the entrance to San Sebastian, something which has already become a routine thing in Basque Country, just like the violence of the ETA [Basque Fatherland and Liberation Group]. The secretary-general of the Basque socialists has his refuge, surrounded by books and his family, on the fifth floor of an old house facing toward a boardwalk along the La Concha beach.

We began to talk about the current situation in Basque Country which, in his opinion, cannot be settled on short notice. I asked him whether it would be enough to do away with ETA to solve the so-called "Basque problem."

[Answer] In the light of our analysis, ETA is the main problem which this country and Spain now face, not only as regards peaceful co-existence in Euskadi but also as regards the stability of the democratic system in Spain. The problem of the strike has hit many more people than the problem of terrorism but the latter shatters the coexistence of a society and prevents us from having full democracy in Basque Country. This is why we have to put an end to terrorism.

But I believe that the situation through which the Basque Country is going now is due not only--although it certainly is for the most part--to terrorism and the aggressiveness surrounding everything that social relations could be; this is also due to a certain brand of nationalism that would have to play a role different from the one it is playing now and that has not yet clearly figured out what its political design really is. So that is when you have continuous disputes. Instead of remaining within the framework of the Spanish legal system, the Constitution and the charter of autonomy, we find ourselves facing, above all in recent months, certain propositions which go far beyond that and which are credited to important leaders of the PNV [Basque Nationalist

Party/. We should recall the statements expressing the aspirations of the PNV in terms of establishing an independent state which would include Navarra and which would be called Iparralde, which means the French Basque Country, or the appeals made by the Basque head of government to the right to self-determination, since nationalists do not renounce the right of having their own state.

There will be no solution to the basque problem if these positions are supported by moderate nationalism and if, moreover, they have major popular support. If, on the other hand, that course is corrected, that is to say, the course that was originally charted by Sabino Arana, even though the latter did change it toward the end of his days when he wrote the manifesto of the Spanish League, and if we then start with the unity of the state and with the fact that Basque Country has no possible future outside a democratic Spain, and if we accept what the legal system in force is, even though it may be revisable, well, then, we can begin to find a common place of understanding and solution of the problems with the PNV.

I do not know whether the PNV also has to modernize its own political designs; I do not know whether, sooner or later, it will have to stage a congress (it is one of the few Spanish democratic parties that has not held a congress since 1977) and this would perhaps presuppose a rectification of positions or a clarification of what its political design is. Perhaps they will take the step toward changing that blueprint with a view to a democratic Spain, so as not to turn its back on Spain. I also believe that there is a leadership crisis in the PNV which has not been resolved and from time to time there is no undisputed leader who would have the support of the entire party, no present leader who would dare take the step toward changing the political blueprint that was originally drafted by Sabino Arana.

/Question/ How would the internal life of the PNV be influenced by the resignation of Garaicoechea which he announced if the party does not accept his opinions on the application of the Law of Historic Territories before the 15th?

/Answer/ Positively--and I have nothing personally against Garaicoechea--because, over the past 5 years, he has been unable to arrive at any agreement with anybody. If he is replaced--and I do not know who would be best to take his place in that case--then I hope that they will know how to arrive at agreements on this country's problems.

"Basque Country Is the Last Stronghold of the Spaniards Who Have Not Learned How To Live Without Killing Each Other"

/Question/ What, in your opinion, is the difference between Basque Country and the rest of Spain?

/Answer/ Basque Country is the last redoubt of Spaniards who have not learned how to live without killing each other. That is the difference.

In Spain, they have national reconciliation and they are establishing a minimum consensus of understanding among all Spaniards which basically springs from the fact that the Constitution has been accepted by the vast majority of the Spanish people because it was drafted by the Right, the Center, and the Left, because it lays minimum foundations and spells out the rules of the democratic game. But that is not the case in Basque Country. Here, throughout the entire democratic transition, we have not had what we could call political reconciliation in the sense that the country continues to be a part of Spain, in which connection we use one of our worst historical traditions which is to resolve political problems through the use of violence and terrorism. In second place, there is no agreement on anything; we do not have that minimum political consensus which every democratic society needs to be able to function, because, in Basque Country, we Basques are not in agreement on anything. The democratic constitution of 1978 divided the Basques; the autonomy charter, which appeared to be a meeting point for all parties, leaving only Herri Batasuna on the outside, did not work either because, even though we drafted it together, everybody interprets it in his own way. For some people it is an adequate structure for co-existence in Basque Country within what democratic Spain happens to be; for others, it is a minimum charter or, as we recently heard from the nationalist ranks, it is a first step toward something else; for still others, such as Herri Batasuna, it is not worth the paper it was written on. Then, there are no agreements on the territory. For some people, Basque Country consists of the three provinces of Guipuzcoa, Vizcaya, and Alava; for others, it consists of the three provinces plus Navarra and Iparralde.

[Question] Can you see some way out of this situation?

[Answer] For the moment, no, because you have to start with the clear and explicit recognition that Basque Country is a plural society and not a plural society in which different cultural and historical traditions exist together; and so long as the basque nationalists do not admit to that and so long as we do not pursue an integration policy that will respect all of these cultures and historical traditions of our people, which are very different, and so long as we pursue a policy excluding everybody else, a policy under which nationalism is defined as anything that is good for Euskadi, anything that is good for Basque Country, whereas everything that does not agree with this political blueprint is excluded from what can be the internal constitution of the autonomous Basque community--so long will there be no way out of this situation.

Besides, we are in a rather unstable situation from the political viewpoint, apart from the problems created by terrorism, due to the instability of the basque government and due to the internal problems which the FNV is suffering from.

We Cannot Forget that There Were 500 Dead

/Question/ What are the chances for negotiations with the ETA after the latest events?

/Answer/ The government is effective in the strategy of the fight against terrorism. Proof of this is the fact that ETA and Herri Batasuna protested strongly because the measures that are being taken do damage their ranks and therefore everything that is done from the viewpoint of police effectiveness and international cooperation is very important in seriously weakening the terrorist organization. Besides, we wanted to make an offer that would leave the door to peace open. If they do not want to accept our proposals, let them know that we are going to use all resources available to the democratic state. This is a generous offer because one must not forget that we have had 500 dead. The moment has come for the others to realize clearly what negotiations with the ETA really consist of because it is said that this is a political problem and it may be so, but not every problem in democracy can be solved by agreeing that we are defending ourselves with the help of undemocratic methods. Even though we may have a political problem here, if we do not defend ourselves democratically, then there is no reason why we should accept democracy. Both the PN and those who advocate political negotiations must be specific. We are prepared to give ground here and, when they push, we will find that negotiations are impossible without harming the democratic constitutional system of Spain.

/Question/ Up to what point has the structure of the ETA been weakened?

/Answer/ The ETA has been weakened but that does not mean that it lacks the ability to continue to strike out. France is a key element in the fight against terrorism. It was very easy for them to organize themselves from that sanctuary and to elude the Spanish police but they have practically not been coming into Spain in recent years. If they now have to transfer the entire apparatus to the interior of Spain, they are going to have enormous difficulties, because, sooner or later, the police will be successful in their investigations.

/Question/ And what about the GAI /Autonomous Interventionist Groups/? Are they finished?

/Answer/ We know nothing about the GAI.

/Question/ What are the plans of the PSE /Spanish Socialist Party/ for this political course in parliament?

/Answer/ The thing that worries us most is the motives /budgets/, above all because we cannot tell what is going to happen between now and 15 October. All basque political life is paralyzed by the problem of the internal crisis experienced by the PNV. As for control over the executive, we are going to introduce into parliament everything having to do with the public schools and topics relating to the autonomous police.

In 1976, We Socialists Confused Terms Such As Self-Government and Self-Determination

[Question] The Basque Socialist Party has made a series of changes in recent years on the topic of Navarra and the amnesty, which you yourself asked for in 1977.

[Answer] One of the problems of the nationalists is that, for them, time does not pass. We all learned from democracy: He who has not learned anything since 1977 is the person who has not had this experience. In 1977, the entire country wanted amnesty because we had a phase of authoritarianism whose wounds had not yet healed. In 1976, during a congress that was still held underground, we in the Socialist Party however confused terms such as self-government and self-determination. Even during the first few months of 1977, we opposed extradition but we did that because we did not yet know what the future of democratic Spain was going to be like. As for Navarra, something similar is happening; during our underground days, our comrades in Navarra were a part of the structure of the Socialist Party in Euskadi basically because the organization in Navarra was small and was given little help since it was a part of the organizational structure of the PSE. In 1977, we socialists advocated the incorporation of Navarra into Euskadi but we always said that the people of Navarra would have to decide that. Starting with the constitution of 1978, we had a legal mechanism and, from then on, only the people of Navarra have something to say on that topic.

5058

CSO: 3548/14

## GONZALEZ-FRAGA MEETING CALLS FOR DIALOGUE, CONSENSUS

Madrid EL ALCAZAR in Spanish 4 Oct 84 p 9

[Excerpts] At the end of a "very nice" luncheon between the prime minister and the opposition leader, Manuel Fraga told the press, according to EFE [Efe Agency (Press Association)], that both had "decided to establish a stronger dialogue to improve the consensus on basic issues of the state." These statements came just a few hours after the vice chairman of Fraga's party had made serious charges against the administration in Parliament, as reported yesterday by EL ALCAZAR.

These statements by Fernando Suarez, which are so far removed from the "consensus" which Fraga proclaimed yesterday, were as follows: "Closing parliament down is the secret desire of the socialists." "The socialists want to fashion society in their image." "Spain can wind up having nothing more than a rubber-stamp parliament." "Only those who think that they are always going to be in power will bring laws such as this one here," in reference to the suppression of the appeal of unconstitutionality.

This two-sided attitude on the part of the "opposition" has caused surprise in political circles. On the one hand, it verbally expresses a strong dialectical opposition to some issues whereas it is visibly silent on others. On the other hand, it restates the proclamation of "consensus" on fundamental issues. According to the story released by EFE, the chairman of AP [Popular Alliance] "rejected the concept of 'tensions' between the cabinet and the popular coalition." The atmosphere was so cordial in the appearance before newsmen that Felipe Gonzalez took the liberty of being somewhat ironic in the sense that "I did not offer Mr Fraga any coalition."

In the end, Felipe Gonzalez and Manuel Fraga decided to establish a stronger dialogue between the administration and the opposition to increase the consensus on basic issues of the state.

Both leaders talked with newsmen in an informal and smiling tone which even resulted in a bit of good humor from Fraga concerning the "wine trade fair of Valladolid," served up at the luncheon by "our magnificent host," Peces Barba, the conservative leader commented.

The prime minister called for the "perfection" of the techniques to be used in this dialogue and their "correct reflection among the mass media when they are under the state."

The prime minister admitted that "it is possible that we were wrong as regards communication techniques between the administration and the opposition."

He also agreed with the opposition leader on the importance of "basic consensus" on questions of foreign policy which, in his words, defines the policy of a nation.

On the election law approved today by the administration, Gonzalez felt that "there has been enough talk" with the opposition, while, on other topics, such as the suppression of previous recourse, "we have not had this approach," the chairman noted.

The chief executive remarked that the amount of time spent on conversations between the administration and the opposition on legislative initiatives does not guarantee agreement "and one must keep in mind the disagreements between both sides," he said.

At that point, Manuel Fraga noted that the majority is entitled to have its theses, "and what the opposition wants," he added, "is that there be a maximum volume of information prior to the time final decisions are made."

Felipe Gonzalez, in turn, remarked that, in the entire institutional system, it is the obligation of the head of the administration "to be the prime minister of all Spaniards"--above and beyond the party and the electorate supporting it.

He termed the resignations from the cabinet as being "absolutely normal" and said that the freely assigned tasks of a minister depend on the department head.

To questions from newsmen as to whether there were going to be any further resignations from the administration, Felipe Gonzalez replied with a smile and a "who knows?" although he then added that "if you can accuse this administration of anything, it is that it lasts very long."

#### Next Meeting on Judicial Branch

Prime Minister Felipe Gonzalez and "opposition" head Manuel Fraga agreed, during the meeting held in the Congress of Deputies, soon to have another meeting and to devote it exclusively to a study of the situation of the judicial branch in Spain, as revealed to EUROPA PRESS by reliable sources.

These same sources reported that the initiative toward a new meeting on the judicial branch came from Manuel Fraga. Nevertheless, the "opposition" leader suggested to the head of government the topic of the law which eliminates prior appeal on the grounds of unconstitutionality.

While both leaders admitted that their positions are very far removed from each other, Fraga--according to sources consulted by EUROPA PRESS--told Felipe Gonzalez that he would reserve himself the right of prior appeal before the Constitutional Court itself.

"The only problem facing Fraga," these sources added, "is that he feels that this is not the right moment for asking the Constitutional Court to rule on its own powers. Nevertheless, he did communicate to the head of the administration that he would not refrain from appealing the law that eliminates prior appeal before the Court."

Another one of the aspects that emerged from the meeting, according to those sources, was that Felipe Gonzalez himself gave Manuel Fraga the text of the electoral law which was approved by the cabinet during its regular meeting at Moncloa. Fraga then directed the experts of AP to start studying the legal text approved by the cabinet.

5058

CSO: 3548/14

## MANPOWER, DOCTRINE DISPUTES DELAY DEFENSE BUDGET ACTION

Hamburg DER SPIEGEL in German 8 Oct 84 pp 40-45

[Text] The Bonn government will not decide about a longer compulsory military service until after the next election in 1987.

West Germany's generals had not had so much encouragement from above for a long time. Whether it had to do with a larger armament budget or a longer period of compulsory military service: "I want," the Federal Chancellor announced at the last commanders' meeting of the Bundeswehr in February, "to force a domestic policy discussion, because it is high time we spoke openly about the matter with our citizens."

The defense minister, "my friend Manfred Woerner," as Kohl called the man whose reputation had been damaged in the Kiessling-Woerner-affair in front of the military men, got to work. The commander-in-chief wanted to present his "big projection," a personnel and armament plan reaching to the end of the century, in September, and in this way to restore his damaged reputation.

But the time is not right. The coalition, which is divided over the rights of foreigners, catalytic converters, and speed limits, doesn't want any more conflicting issues. Instead of concrete programs for the Bundeswehr, therefore, only declarations of intent will be proclaimed.

Not until 1987, after the next federal election, will the decision be made on whether from 1989 on the draftees of the low birthrate years will really have to serve three months longer than before.

At the end of last week it was not even certain whether the cabinet discussion on the touchy matter, which has already been postponed a few times, would take place this month at all.

Objections to Woerner's ideas have been raised not only by the Free Democrats, who intend to have a thorough discussion of the future Bundeswehr for the first time Monday among the party leadership. FDP chief Hans-Dietrich Genscher had already warned his colleagues in the Defense Department in April about too hasty statements: An extension of compulsory military service to 18 months would be only the "absolutely last possibility" for the FDP.

There is also resistance in Woerner's own party. Above all the representatives from North Rhine Westphalia, but also the Saarlanders, want to avoid having to defend Woerner's measures in the state elections, measures that are highly unpopular among the young voters and the peace advocates.

The reservations of the once so defense-friendly party friends are not just casual; Sunday before last at the North Rhine Westphalian local elections almost a quarter of the young voters voted for the antiarmament Greens. The CDU candidates were confronted again and again in their meetings with questions about Woerner's defense plans, even though in the colored brochures for the election on the accomplishments of the Kohl government the defense minister was not even mentioned.

But it is not only the fear of increasing antipathy among young voters that determines the attitude of the coalition representatives. Among Christian Democrats, and above all among the liberal ones, doubts are growing on whether the strategy of the Western alliance is still credible, whether the thesis of the Soviet threat is still correct, and whether the structure, strength, and armament of the Bundeswehr can simply be continued in Woerner's way.

The former parliamentary deputy secretary in the Defense Ministry, Andreas von Buelow (SPD) comes to the conclusion in an analysis based on American sources that the Soviet military power cannot surprise the West either quantitatively or qualitatively. The arguments brought together in all haste by Hardthoehe against Buelow's findings seem, according to the CDU representative, like a "helpless document."

The SPD defense chairman, Erwin Horn, thinks that neither Woerner's personnel nor his armament plans are realistic: "The costs of the new prestigious, large project have been consciously set too low; It can now be predicted that it cannot be financed with the funds provided for in the financial planning."

On Woerner's shopping list there are, among other things, 200 intermediate range artillery missile launchers ("Mars") with 85,000 missiles, 200 fighter aircraft, reconnaissance and combat drones, antiaircraft missiles, 212 anti-tank helicopters of the second generation, six frigates 90, 1,500 tanks, 18 submarines, and 65 new Pershing 1 missiles. At 1984 prices, this makes a total of over 100 billion marks in the next 12 years.

According to previous experience with the development and production of new weapons, an estimate of 200 billion marks would be closer to reality. Horn says, "The acquirement costs are only the beginning; to them must be added costs for the infrastructure, training, transportation, and installation."

The Free Democratic defense expert Olaf Feldmann is similarly critical in his judgment of Woerner's personnel planning. He feels the lack of a "concept that is consistent within itself and therefore discussable." According to Feldmann, the present personnel strength of 495 000 is not dogma for the FDP, and the extension of military service being pushed by Woerner is therefore of little help.

The budget experts in parliament learned that the Bundeswehr has fat to be trimmed not just in the staffs, but also among the troops when they began to discuss the interior minister's budget.

The Federal Border Patrol has 102 helicopters of various types: here 360 men are necessary. The army has over 764 helicopters; for this it needs 11,000 soldiers. Now the financial experts of parliament are trying to figure out why the Federal Border Patrol doesn't quite need four men for the use of a machine, while the Bundeswehr needs 15.

The Greens are preparing themselves for the next defense debates even more thoroughly than the Social Democrats. The peace movement, according to follower Henning Schierholz, has up to now been an antimissile movement. In the future it must deal more thoroughly with questions of alliance and strategy and become an antimilitary movement.

Authors of various peace groups are now preparing a brochure in which Woerner's personnel and armament plans are critically studied. They are based upon the most recent considerations of the U.S. Defense Department, which, as the French defense expert Pierre Lelouche wrote in NEWSWEEK, signify a "revolution in NATO strategy."

The air-land-battle concept of the U.S. Army and the new U.S. Field Manual, FM 100-5, stress the offensive. According to its prescriptions, a battle area will be opened in case of war in the rear of the enemy by bombing and missile attacks, thus immediately bringing a counterthrust at the attacker's territory: "The offensive," according to FM 100-5, "is the decisive form of war, the only means of command to reach a positive result or to completely destroy the enemy armed forces."

The German defense minister, to be sure, does not tire of denying that this concept, which contradicts the previous NATO strategy of defense, is valid for NATO. Nonetheless, the NATO staffs of Brussels are working on a version that is to remove by clever wording the reservations of the European allies, as it says in an internal note of the command staff of the Bundeswehr.

Greens, Social Democrats, and even mistrustful liberals and CDU members want to make a special investigation of Woerner's procurement programs and research projects to see whether they fit into the new offensive concept of the Americans. This applies, for example, to the development of new missiles and cruise missiles with conventional warheads and intelligent ammunition that seeks its target itself.

"Then we will have," Woerner told the NATO defense ministers at their last meeting, "something of our own to offer." And before the defense committee of the Bundestag he explained that the "new conceptual considerations" make it clear that an attacker could not conduct the conflict "on our soil alone."

The Social Democrats have already reacted. SPD disarmament deputy Ego Bahr said, "We reject everything that makes the forward defense into a forward-

moving defense. The air-land-battle doctrine is unacceptable."

Critical Christian Democrats have therefore advised the defense minister to be flexible and not to trip himself up again as in the Kiessling affair. A North Rhine Westphalian CDU representative said, "Kohl needs no new trouble. He only forgives once."

9124

CSO: 3620/41

## POSSIBLE MILITARY TECHNOLOGY COOPERATION WITH ISRAEL

Athens I KATHIMERINI in Greek 21-22 Oct 84 p 14

[Excerpts] The Israeli Government is showing great interest in promoting cooperation with Greece in the field of technology, and specifically military technology, well-informed circles are reporting. When queried, the representative of the Israeli diplomatic delegation in Greece refused to comment on this information; however, military sources noted that similarities in climate and topography, in the size of their respective armies and in the structural procedures for decisionmaking render cooperation between Greece and Israel in the field of military technology quite feasible.

The Israeli Government's interest in promoting cooperation in the field of military technology with Greece and other countries is understandable, since the possibilities of the Israeli "domestic market" are limited and the development of an arms industry very costly.

One of the most interesting achievements of the Israeli arms industry is the drone (RPY), which was used very successfully in the war in Lebanon.

Israel produces two types of drones: the Mastiff, made by Tadiran firm, and the scout, made by the IAI company. The principal advantages of these drones are their low cost, their low vulnerability on the ground and in the air and the fact that no human lives are endangered during their missions.

The impressive success achieved by the Israeli RPY's made them the choice of the American Navy over the ones produced in the United States by the Development Science company of California.

Besides the fact that the widespread use of the RPY's will significantly improve the capabilities of the Greek Armed Forces, military observers noted that the study by the U.S. defense secretary on the modernization of conventional forces in NATO's southern flank envisions the use of such aircraft.

CSO: 3521/49

## FRG MINISTER DISCUSSES FRIGATE ASSISTANCE

Lisbon DIARIO DE NOTICIAS in Portuguese 18 Oct 84 p 3

[Excerpts] The Federal Republic of Germany's minister of foreign affairs, Hans-Dietrich Genscher, appeared particularly receptive to the idea of his country's increasing the financial cooperation with Portugal, also accompanied by a possible increase in German investment. Although this latter aspect does not depend directly on the Bonn government, the latter has expressed willingness to create the necessary conditions to enable German business owners to decide to use their capital in our country.

In fact, it is considered quite important, both in Lisbon and Bonn, to increase the volume of German investment which, in 1983, had already reached a level of about 15 million marks, whereas in 1982 it had not exceeded 9 million. However, that figure is still very far removed from the one recorded in 1975, which was approximately 28 million.

Genscher, who arrived in Lisbon in mid-afternoon yesterday, on an official visit, was received at the airport by his Portuguese counterpart, Jaime Gama, with whom he was to meet later, before being received by the prime minister at the residence in Sao Bento. In the talks between the two ministers, it was established that the FRG would study the feasibility of building three frigates for the Portuguese Navy, possibly coparticipating in the project with a sum of nearly \$500 million. The remaining \$200 million would be borne by Portugal (\$110 million) and the United States, which is also interested in the materialization of the project.

The frigates in question, of the "Meco 200" type, would be built in the Hamburg shipyards, with which the German minister has already established the first contacts, according to information given to Jaime Gama. Moreover, Bonn may also be interested in carrying out the project as a means of reducing the crisis in the ship construction sector being confronted with particular severity in the Baltic area.

The renewal of the agreement for the use of the Beja air base was also brought up by Jaime Gama, who told his German colleague that it was time to progress with negotiations. However, it should be recalled that the agreement does not end until 1987.

Finally, in the realm of tripartite cooperation, five projects relating to Mozambique and one involving Guinea were submitted to Bonn. Bonn is interested, and hence it will undertake the study of them through the appropriate channels.

## AIR FORCE ROLE, DEVELOPMENT PLANS ANALYZED

Lisbon A TARDE in Portuguese 12 Oct 84 pp VIII-IX

[Interview with EMFA chief, Gen Brochado Miranda; date and place not specified]

[Excerpts] The reason for the existence of the Portuguese Air Force (FAP), its various missions, the need for revamping it and the problems that have confronted it, as well as the contributions to the training of youth and FAP's role in national defense during the 1990's are some of the main topics discussed in this interview which Gen Brochado Miranda, chief of the Air Force Staff [EMFA], granted to A TARDE.

A TARDE: Why is it necessary and important for the country to have an Air Force?

Gen Brochado Miranda: Any society is viable only so long as it can guarantee the security of its members; a security that will safeguard the rights of the citizens themselves and protect them against acts which could be detrimental to their integrity and their desire for social fulfillment.

Therefore, security is one of the state's higher goals, concurrently with justice and prosperity.

Setting aside justice, which everyone accepts as an essential principle, prosperity and security remain in "confrontation."

To some, security is the supreme purpose of the state, because if there is no security, the latter would dissolve and there could be no prosperity. To others, it is prosperity which justifies and requires the existence of the state per se.

Obviously, there must always be a judicious balance in fulfilling these two essential purposes. There will be a time when greater stress will be placed on matters relating to prosperity, and others when the concerns will attach a more marked significance to security.

Defense is one of the components of security.

The existence of the Air Force and its greater or lesser development in comparison with the other branches of the Armed Forces stem from a process of analysis

regarding the best means of countering the danger from outside, taking into account the expedients which, in a weighed assessment between the requirements of prosperity and security, it is decided to assign for this basic purpose.

[Question] The FAP is currently undergoing a so-called remodeling phase. What are the reasons and missions which have prompted the need for this remodeling?

[Answer] The Air Force was deeply involved in a war which lasted 13 years, in Angola, Mozambique and Guinea; in other words, on a territory approximately 20 times larger than European continental Portugal.

Although the weapons systems that we had were geared to the type of action to be performed, they suffered from limitations; because their procurement was subject to available financial resources and to the restrictions imposed by the producing countries.

#### Surmounting Shortcomings

However, the Air Force managed to surmount the shortcomings and difficulties, and to organize so as to effectively meet the requirements of the mission. It established itself in those vast territories, and carried out the mission then assigned to it well.

The end of the involvement in Angola produced the need for redefining the mission of the Armed Forces in general and of the Air Force in particular; considering the commitments in the context of the Atlantic Alliance which had actually been set aside during those 13 years.

The redefinition of the mission brought up two fundamental requirements:

On the one hand, to head quickly toward modernization of the weapons systems, because the existing ones were generally obsolete and completely out of step with the national realities in the European theater.

On the other, to raise the level of cultural and technical training of the cadres, so as to ensure operational efficiency in the use of our weapons systems.

A third requirement which had to be heeded was associated with the aeronautical infrastructure, which had deteriorated to the point of jeopardizing the safe operation of the air facilities.

#### Meager Resources

[Question] What difficulties and problems have been encountered?

[Answer] The difficulties and problems are varied in nature.

Upon surmounting the internal instability crisis resulting from the action of the opportunists who emerged after the social division that occurred

during the post-25 April period, it was necessary to modernize what had fallen into disuse (obsolete ordnance), to repair what had been neglected (owing to the demands of the overseas operations) and to rebuild what had been destroyed.

The difficulties, ultimately, were and still are essentially related to the meagerness of the available financial resources.

Choices must constantly be made between what would be desirable and what is possible. And, as we know, what is possible is very little.

We actually have problems and difficulties with regard to the procurement of material resources (aircraft, primarily), and the construction and recovery of infrastructures, which are extremely deteriorated after years of neglect (not because of ignorance or carelessness involving their condition, but because the priority that was attached to their repair always exceeded the available resources), and human resources, the qualifications of which also suffered from not having kept up with the great technological advancement of recent years.

[Question] What role has the FAP played in the occupational training of the youth? What possibility is there of expanding that role?

[Answer] Nearly 63 percent of the forces is comprised of permanent personnel who, at the conclusion of compulsory military service, enter the job market with highly skilled technical training, without equal in some instances, acquired in the Air Force service.

It should be noted that out of the 2,200 youths who begin their technical-military training annually, nearly 1,700 assume reserve status every year, occupationally equipped to engage in the most varied occupations.

Moreover, the Air Force maintains two occupational training programs for apprentices, also, which, although intended to meet the needs for recruiting working personnel for its services and departments, and for the General Offices of Aeronautical Ordnance, could eventually be expanded to train skilled workers for the job market in general, given the training potential that exists and has not been used to date. In fact, of a 3-year training capacity for 137 apprentices only about 30 percent of that capacity has been used for the benefit of the Air Force.

Hence, preliminary contacts have now been established with the Institute of Employment and Occupational Training, aimed not only at making full use of the existing training potential, but also at giving recognition to the activities for training young people based on an apprenticeship system that are being fostered by the Air Force.

#### Medium Term Plans

[Question] As part of the program to modernize the FAP, what steps have been planned for the next 5 years?

[Answer] Briefly, the following could be mentioned:

In the operational areas:

The procurement of air fighter planes to make surveillance possible and, if necessary, the defense of our air space;

The continuation of the reequipping and completion of the A-7 squadrons which perform multiple missions, noteworthy among which are the TASMO operations; in other words, activities inside the ocean area for which we are responsible, including the EEZ;

The procurement of anti-submarine fighter and ocean reconnaissance planes;

The expansion of our tactical carrier fleet with new C-130 units; because the few in existence do not suffice to meet the operational and logistical requirements of the Air Force and the other two branches;

The restructuring of our air warning system, with the establishment of another radar station (already planned since 1967), and the modernization of the equipment already in existence (SICCAP system).

Obviously, these acquisitions and modernizations will be carried out by means of compensatory arrangements resulting from military cooperation agreements concluded between Portugal and some of the NATO member nations.

In the area of management, we shall continue with the programs already being executed, such as the computerization of the Financial Administration System (SAF), the Maintenance and Supply Management Information System (SIGMA) and the Integrated Automatic Personnel Management System (SIGAP).

Furthermore, the growing technological changes in the facilities in the FAP's service, as well as the planned implementation of modern weapons systems, demand the acquisition and constant updating of the technical knowledge of the personnel working with them.

To meet that requirement, this branch has been adopting effective, dynamic measures for recruitment, to ensure the necessary forces in a timely manner, as well as for improving the instruction system, that will make it possible to ensure the right man in the right place at the right time. Simultaneously, an effort is being made for harmonious growth of the force during the coming years, with plans calling for the attainment, during a first phase, up until 1986, of a target personnel of 11,500 military.

(It should be recalled that the present forces in the FAP service represent nearly half the personnel of other NATO Air Forces (such as those of Belgium and Greece), which have a population identical to that of Portugal.)

## Changes in Careers

With regard to career programming, the FAP has been conducting a thorough study since 1976 of Career Planning and Programming (PPC), which is in the phase of government approval. Its approval and implementation will lead to a more balanced structure with the following main features:

Recruitment of militia officers with higher-level literary skills;

Basic training on a higher level for all officers;

Streamlining and optimization of human potential;

More selective merit evaluation system;

Promotion system in which there is a clearcut predominance of merit over seniority.

## Modernization

[Question] What type of coordination exists among the three branches of the Armed Forces? Is that type of coordination the most suitable for the fulfillment of the missions assigned to the Armed Forces? Or would it be possible to improve it, and how?

[Answer] The chiefs of staff of the branches are the leading collaborators of the national defense minister (MDN) and the armed forces chief of staff (CEMGFA) in all matters regarding the respective branch (Law on National Defense and Armed Forces, Art. 56); and they answer to those same entities for the training, discipline and use of the facilities that are available ( Art.57).

The CEMGFA coordinates the activity of the branches through the council of CEM's [chiefs of staff] which he chairs (Arts. 50 and 52), exercising the operational command in peace time and assuming the complete command of the Armed Forces in war time (Art. 53).

This coordination has worked well, hence I see no reason to change it.

[Question] How do you view the FAR's role in a defense for the 1990's? What obstacles will it have to surmount in order to discharge that role?

[Answer] The FAP's role for the 1990's doesn't differ substantially from its present one. Besides, all the effort for restructuring and modernizing at present is aimed at preparing the FAP for its full performance in the future.

During the 1990's, the missions assigned to the FAP will be the present ones, both in the national area and in the international and Alliance areas.

The technological progress will be decisive to the capacity for executing its missions. It will be the obstacles stemming from technology that we shall

have to surmount; they entail a different view of the material and human resources to be assigned to the Air Force, based on the standpoint that resources will always be meager.

Therefore, the effort that has been made to develop the instruction level is important.

[Question] Why is the FAP the Air Force that evinces the greatest shortages in the geo-strategic area with which it is associated?

[Answer] In fact, the Air Force does show a highly unfavorable relationship of forces in comparison with the weapons systems available to the countries that are closest to us.

I think that I could claim that, if we compare ourselves with the states whose national product is the same as or lower than ours, the concerns that have troubled the Portuguese State in recent years have had more of an effect on prosperity than on security; in contrast to what has occurred in those countries, where the opposite has happened.

As you can observe, I am simply stating a fact, and not making any value judgment regarding the options that have been taken.

2909

CSO: 3542/25

## RECENT RISE IN CONSCIENTIOUS OBJECTOR NUMBERS

Lisbon A TARDE in Portuguese 16 Oct 84 p 20

[Excerpts] According to a communique from the Council of Europe, although the legislation on the subject dates back only to 1976, a result of 25 April, conscientious objection in Portugal has reached one of the highest percentages on the European continent.

In the article on "freedom of conscience, religion and worship," the Constitution of 1976 recognizes the "right to conscientious objection, with the objectors required to render non-armed service for the same period of time as those in compulsory military service."

Despite this constitutional provision, things have not been easy for conscientious objectors. The issue lacked a legal statute, which took several years to arrive.

However, so that the letter of the Constitution would not be a dead letter, it was the Armed Forces, specifically, the Council of the Revolution, which safeguarded the interests of objectors of military age. Moreover, the method of avoiding military service was not difficult: The young man sent a request to the Army in which he stated that he was a "conscientious objector." In it, two persons attested, "on their honor," that the party concerned was actually a conscientious objector.

So long as the Assembly of the Republic did not have a ruling on the matter and voted for the statute on objectors, the procedure followed was the method of a stamped paper.

However, the natural increase in cases of objectors faced with compulsory military service prompted the Army itself to reiterate comments and protests.

Three years ago, the number of Portuguese youth who avoided joining the Armed forces exceeded 2,000.

Finally, the Statute

At the legislative suggestion of the Pinto Balsemao government, the matter went to the Assembly of the Republic in December 1981. The proposal attempted to

discourage "those who seek the statute for selfish reasons, out of self-indulgence, fear of danger or merely political motives," and it assigned to the forum of the common courts the awarding of the legal status of conscientious objector.

From the debates in the Assembly of the Republic on the government's proposal there resulted, in June 1982, the consideration that the objectors would be obliged to render service parallel to the military, but without handling weapons. The text of the Constitution was revised, stipulating that the objectors "must render service of duration and arduousness equivalent to armed military service."

In any event, the movement of conscientious objectors is continuing to grow, luring young people who express opposition to the use of arms, to war and to all forms of violence.

In 1982, according to information released by a government source, over 3,500 conscientious objectors submitted statements to avoid performing compulsory military service.

Moreover, the progress of the movement is virtually taking off: In 1977, covered by the constitutional ruling, 134 youths requested exemption from military service based on "conscientious objection." In 1980, there were 791; and in 1981, the number rose to 2,630.

The district with the largest percentage of objectors is that of Lisbon, followed by Porto and Aveiro.

It should be recalled that there has been an organized movement of conscientious objectors in Portugal since 1978. Its members are followers of the doctrines of Gandhi and Lanza del Vasto.

The movement came into existence after Lanza del Vasto's arrival in Portugal in 1978. He is an ideologue of the pacifist theories of Gandhi and the founder of the Ecumenical and Patriarchal Order, ARCA, a non-violent movement which appeared in France and has spread through several countries.

The goal of this movement is "the formation of a peace army which, instead of using weapons of death, would use life-giving weapons, such as the hoe and the hammer; in other words, work tools."

2909

CSO: 3542/25

## FRG POSSIBLE SOURCE OF NEW FRIGATES

Lisbon DIARIO DE NOTICIAS in Portuguese 15 Oct 84 p 3

[Text] Yesterday, Mota Pinto said that the possibility of purchasing three frigates for the Portuguese Navy from the Netherlands has been precluded, and that the German "Mako-200" frigates are one of the alternatives.

The vice prime minister and head of the Defense Ministry was speaking upon the arrival of the 35th NATO Nuclear Planning Group meeting in Italy, where as he emphasized at the airport, "the values of freedom, solidarity and progress were reaffirmed."

Mota Pinto stressed that the sale of the Navy corvettes which had been called for in the contract for the Dutch frigates will not be necessary in the event of a different alternate possibility, such as the frigates from the Federal Republic of Germany.

The vice prime minister noted that Portugal is not a country for missile installation, but that it is lending its political support to the countries which have them installed.

The Beja base, in turn, prompted the defense minister to assert that, in contacts with his counterpart in the Federal Republic of Germany, an improvement in the FRG's compensation was agreed upon.

In the Federal Republic of Germany, Mota Pinto was in contact with the supreme commander of the Atlantic, Admiral MacDonald, and it was agreed to give priority to the completion of the infrastructure at the Porto Santo airport, within the context of NATO.

2909

CSO: 3542/25

MILITARY

PORTUGAL

BRIEF

JOINT SPANISH-PORTUGUESE MANEUVERS--From 18 to 24 October, 2,500 men from the Portuguese Air Force and a Spanish paratrooper company will embark upon joint maneuvers in the Tras-os-Montes region. Also participating as Spanish representatives, in addition to the paratrooper company, are members of the Land Army's airborne forces and two Hercules aircraft. The maneuvers, known as "Jupiter 84," will take place in the Tras-os-Montes region, between Miranda do Douro, Freixo-de-Espada-a-Cinta, Moncorvo and Macedo de Cavaleiros. [Text] [Lisbon DIARIO DE LISBOA in Portuguese 12 Oct 84 p 3] 2909

CSO: 3542/25

## RAIL LINE CLOSURES POSE NATIONAL DEFENSE IMPEDIMENT

Madrid YA in Spanish 1 Oct 84 p 6

[Article by Fernando Rueda]

[Text] At a meeting held yesterday, Sunday, the Council of Ministers approved the closure of several rail lines considered to be operating with heavy losses, a step that will result in savings amounting to several billion pesetas. When this project was put forward by the Official Economic Affairs Commission, they forgot the very serious strategic problems which could arise from the closure of most of these rail lines. The Joint Chiefs of Staff have prepared a study conveying the concern of the defense sector should these measures be finally implemented.

Madrid--Military sources, who are well informed on the subject, told the newspaper YA that this problem cannot be solved based on a strictly economic outlook of saving the state many billions of pesetas every year, considerations of national defense must prevail in cases such as this one.

One of the arguments offered in an attempt to reassure the Ministry of Defense was that the infrastructure will be maintained but the ministry argues that unless a rail line is in use, however little, it gradually becomes useless. They also point out that the logistic capacity offered by the railroad cannot be replaced by other means of transport because the capacity of a truck, for instance, is measured in terms of tons while the capacity of a train is measured in terms of cars.

The closure of several rail line sections running parallel to the Portuguese border means a disruption of the supply lines to the west through a very important strategic area, something that would diminish our capabilities in a war against Portugal and even though at present that country is not envisaged as a potential enemy, that possibility cannot be disregarded in a sound strategy.

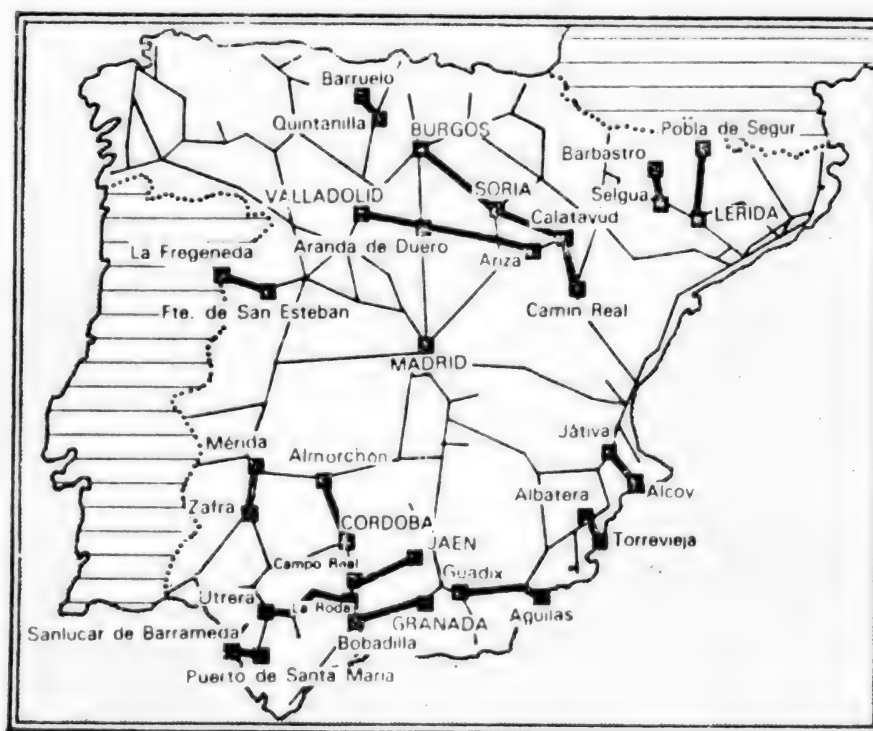
The army was reassured by the news that, in spite of being very unprofitable, the Canfranc-Huesca line will not get the axe since it is the only rail line which can convey troops to the Central Pyrenees, an area where the enemy would not be likely to launch a large attack but where it would deploy its special mountain units. The large size of the Canfranc railroad station is justified

by the need to accommodate a large number of troops and equipment at any given time, a possibility which was taken into account when that station was planned.

Another rail line carefully planned in its day to provide a rail link running parallel to the French border, and currently threatened with closure, is the line from Santander to the Mediterranean. Military strategists consider that not only there should be no closures in any section of that line but that the link between Santander and Valencia should be completed by building the Ciudad Dosante-Santander section. This line, as many others, could be kept in operation if the autonomous local governments were willing to absorb the losses of their operation.

In view of the fact that the Pyrenees are an area of vital importance for Spain's defense, the short sections of tracks bringing the trains to that natural frontier should not be closed down in any case because, also according to the military experts, their closure would result in considerable delays in the transport of troops. If any of these sections near the Pyrenees is closed, we could find ourselves in the paradoxical position of having to reopen them, should Spain join NATO, to adapt our strategy to the needs of European defense.

In the event of war against North African countries, it is essential to maintain the rail lines needed to supply the south of Spain and to carry troops and military equipment.



Rail link that will vanish, or may vanish if the autonomous communities do not assume their expenses.

8796

CSO: 3548/11

## MILITARY GRANTED FUNDS INCREASE; PUSHED BY MODERATES, FORCES

## Several Conservative Party Bills

Stockholm SVENSKA DAGBLADET in Swedish 26 Sep 84 p 9

[Article by Elisabeth Crona: "Authors of Conservative Bills Demand Strong Defense"]

[Text] Strengthen the defense, demand a number of authors of conservative bills before the congress this fall. The 1987 defense decision must represent a reinforcement in key areas, the party executive committee responds.

At a press conference on Tuesday Carl Bildt and Anita Brakenhielm presented material for the meeting as well as a new report on defense and security policy.

The defense bills are extensive and several are backed by major groups such as the Conservative Youth League [MUF] and some provincial leagues. The MUF people criticize the defense agreement last spring and want an increase by 4 percent in defense after 1987.

Other introducers of bills do not criticize the defense agreement but write that the Conservatives should present their line clearly and push the issue in the election campaign. We should not feel bound by the agreement on defense. It is only a step on the way, says the Stockholm organization.

The party's executive committee defends the defense agreement of last spring, but criticizes the Social Democratic defense policy previous to that, calling it "one of the most astonishing aberrations of the past decade."

## More Than the Agreement

The agreement's 2.2 billion will grow, presumably, in order to assure its real content, and two points will be particularly monitored by the Conservatives:

The first is antisubmarine warfare. It is unreasonable that it should take 6 years to develop four helicopters with crews, was Bildt's comment.

The second is air defense. Its significance is the reason why the three J 35 Draken divisions must be retained for at least another 10 years, but other

than that the party executive committee does not want to tie down its defense policy by figures or percentage points.

Carl Bildt praised the defense decision of the Social Democratic convention: "It was a considerably more important signal than the decision about the offer of a visit."

Bildt admits that Palme was right that diplomatic relations should never be broken off, but he maintains that it is wrong to let go of an instrument such as the offer of a visit. We should consider every visit with respect to the situation, in his opinion. As for Moscow, we do presumably already have functioning diplomatic channels.

#### Sticky-Fingered

Anita Brakenhielm, who is chiefly responsible for the report "Var Sakerhet" ["Our Security"], criticized the Swedish "preoccupation with multiple issues" in the UN:

"Instead of being sticky-fingered and participating in everything, we should concentrate and restrict our efforts to areas where we have special competence or to our own security-political interests."

Sweden is the author of too many initiatives or shares responsibility for too long a list of proposals, in her opinion.

For example, last fall we voted for four different missile resolutions from various nations and power blocs.

The main priorities of the Conservative report are, for instance, control measures in order to follow up the disarmament agreements, as well as the work on the prohibition of storing and manufacturing chemical weapons.

The report discusses the peace movement, where it finds involvement and wisdom as well as slanted messages and unrealistic demands. There is everything from honest idealists to conscious fellow travelers, the Conservative group writes. Appeals and messages must be critically examined.

Among the proposed demands outside the defense area are a couple that require Swedish membership in the EEC and some that advocate a return to the one-percent goal in foreign aid.

EEC membership is not of current importance, believes the executive committee, which instead wants to further develop the cooperation.

## Armed Forces Chief's Request

Stockholm DAGENS NYHETER in Swedish 2 Oct 84 p 8

[Article by Sven Svensson: "600 Million Extra Is Supreme Commander's Request"]

[Text] The defense spending needs to be reinforced by another 600 million [kronor] a year, in order fulfill the ambitions of the 1982 defense decision.

This is what Supreme Commander Lennart Ljung maintains in his requests for military defense appropriations submitted to the government on Monday.

Three years remain of the 5-year defense decision. Therefore, a new defense decision will be taken no later than by the 1987 Parliament.

Last spring the supreme commander received an extra appropriation of 600 million a year, partly as compensation for the high dollar exchange rate. The decision was made following a four-party agreement at the party leader level.

For the 1985/86 fiscal year the supreme commander requests a defense framework of 21.2 billion. That framework means requests for yet another extra amount of 600 million annually.

The supreme commander based this request on two different circumstances. One is the index rule, which only permits compensation for price increases amounting to four percent, the other is technical shortcomings in the Armed Forces' price regulation system. Of the supreme commander's demand for extra funds, 250 million are intended to cover price increases above the administration's four-percent index ceiling for 1984. In 1984 the inflation will be over six instead of four percent. A new technical flaw in the defense index is the reason for 130 million.

During the party leader agreement last spring a new index was constructed, which was believed to provide fair compensation for both inflation and exchange rate fluctuations. Problems have now occurred with comparisons of Swedish and foreign inflation. The military purchases a great deal of materiel abroad and the present structure is unfair to the military.

'Miscalculation'

The "miscalculation" is a technical flaw in the index system. It is possible that the defense could count on compensation for the miscalculation. Contacts are necessary with the non-socialist opposition, which believed that they had approved a water-tight compensation system.

The decision taken last spring by Parliament to augment the defense framework by 600 million represents an important precondition for the program plan now pending, the supreme commander maintains.

The antisubmarine capability has doubled in comparison with previous planning. For the entire 5-year period 900 million have been allocated for antisubmarine protection. Among other things, orders for four coastal corvettes will be moved up, with construction starting in 1985/86.

It will become a ticklish question for the administration whether it should accept the moved-up dates for the coastal corvettes. On the Social Democratic side one has taken a wait-and-see attitude, but the non-socialist parties, in particular the Conservatives, have urged rapid decisions for additional coastal corvettes.

#### Draken Remains

The framework increase last spring has also meant that three Draken fighter divisions may remain until the mid-1990's.

In practice, however, the Draken aircraft will become an issue for the recently appointed defense panel, which is to work out foundations for the 1987 defense decision.

Because of the framework increase last spring, modern missiles can be ordered for Viggen and certain radar stations can be established without delay. In the 1990's it will be possible to acquire a modern radar surveillance system.

If the supreme commander were to receive another 600 million annually, some things are particularly urgent. Among these are increased refresher course training, more tank defense and more mines. Better weapons for the strike aircraft and better signal and tactical control centers are other wishes.

#### Submitted Reservations

In order to manage this reinforcement of the antisubmarine defense, the supreme commander has taken 100 million each from the Army and the Air Force over a total of 5 years.

Air Force Chief Sven-Olof Olson has submitted his reservations against this. The Air Force chief wants the government first to wait for the new antisubmarine plan to be submitted by the supreme commander in late October.

#### Air Force Commander Comments

Stockholm DAGENS NYHETER in Swedish 2 Oct 84 p 8

[Text] 'Difficult to Do Without 100 Million'

Air Force Chief Sven-Olof Olson said in a statement Monday that he has nothing against a strong antisubmarine defense. On the other hand, he does not like having funds taken away from the Air Force.

"A hundred million is a lot when you already have a tight budget," Olson said. He was of the opinion that the supreme commander should wait for an evaluation of the measures for antisubmarine defense that have now been implemented, before investing additional amounts in it.

#### Newspaper on Defense Requests

Stockholm DAGENS NYHETER in Swedish 2 Oct 84 p 2

[Editorial: "The Supreme Commander as a Defense Politician"]

[Text] Antisubmarine defense above all else! Thus can the supreme commander's 1985-90 program plan, submitted yesterday to the government, be summarized, somewhat simplified. The all but unnoticed hunt for foreign vessels in the Karlskrona and Stockholm archipelagos last week also shows that the submarine threat is still acute.

In order for Sweden to be able to assert its neutrality it is necessary that the country is capable of controlling its territory in peacetime. The supreme commander's emphasis on antisubmarine defense, which implies, among other things, that the Navy should be furnished with minesweepers and coastal corvettes at a more rapid pace than previously planned, corresponds with both security political and military demands.

But the Navy's funds were not sufficient, despite the approval of additional money. This is why the supreme commander took 100 million kronor each from the Army and the Air Force and put it in the Navy's cash box.

A supreme commander is obviously entitled to establish priorities of this kind. On the other hand, he would be wise to stick to already made political decisions.

But that is scarcely what the supreme commander is doing when permitting his priority-setting to have the result that the extension of the lifetime of the Air Force's Draken divisions is "at the lowest level and lower than in the defense decision." The supreme commander then refers to the 1982 defense decision, but he does not mention that the decision last winter to add 600 million kronor annually to the defense spending was based precisely on the desire to keep the Draken aircraft until the beginning of the 1990's.

The supreme commander is now requesting another equally large additional amount: 600 million kronor annually up to 1987. That will be difficult to digest for the politicians, in view of the fact that the agreement last winter binds all four partners--and so far even the Conservative leadership, which encountered tough criticism from its own ranks, has adhered to what was agreed.

If the agreement is not to be broken, the supreme commander must therefore convince all the parties except the VPK [Left Party-Communists] that additional funds are needed. It would presumably have been easier if he had simultaneously shown greater willingness to economize in the peacetime organization. But there are no indications in the program plan that the supreme commander would, for example, be prepared to agree to the proposal of "staggered conscription training," which would yield possibilities for a drastic reduction in the number of peacetime units.

It now seems as if the Air Force would suffer most from the need for the antisubmarine defense to be strengthened. But the Soviet overflight of Gotland shows that even in peacetime gaps in air defense represent a threat against the neutrality. Is the supreme commander deliberately making the defense politicians face an impossible choice?

#### Government Proposes Funds Increase

Stockholm DAGENS NYHETER in Swedish 6 Oct 84 p 9

[Article by Sven Svensson: "Military Receives More Money"]

[Text] The military will receive compensation for flaws in the new defense index which compensates for inflation and exchange rate fluctuations. That was the decision of the government during a discussion at Bommersvik this week.

The new defense index was part of the four-party agreement concluded last spring on defense spending.

Military experts have now arrived at the conclusion that the new index undercompensates the defense by 130 million annually.

State secretaries Per Borg at the Defense Ministry and Bengt K. Johansson at the Finance Ministry are in the process of examining the calculations. On the part of the administration there is willingness to provide compensation for the "miscalculation."

The non-socialist parties are to be allowed to partake of the calculations when the state secretaries are finished with their review. The government intends to adhere completely to the four-party agreement.

11949

CSO: 3650/16

## OBSTACLES TO JOINT PRODUCTION SCHEMES WITH USSR DESCRIBED

Helsinki HELSINGIN SANOMAT in Finnish 10 Oct 84 p 27

[Article by Heikki Arola: "From Solemn Speeches to Deeds, to Joint Production in Trade with the USSR"]

[Text] In the latest Finnish-Soviet general trade agreement there is a new subheading this time: joint production. It is believed that trade falling within this concept will become a sizable sector in the Soviet trade during the present decade.

In light of the agreements that have been concluded, this trade will be very unidirectional: Finnish firms will manufacture and export goods to the Soviet Union. Especially in the Soviet Union they no doubt hope that in future through the fruit of this cooperation they may penetrate other countries, at least Finnish markets.

At the top echelon of the Economic Commission for the past few years they have repeatedly talked about joint production as an area [of cooperation] for the future and it is regarded as an "innovation" in the Soviet trade during the present decade in the same way the Economic Commission's chief effort was aimed at promotion of major construction projects in the 1970's.

But in what way does "joint production" differ from the earlier form of trade if the rule is that Finnish firms manufacture and the Soviet Union buys?

#### Planning and Marketing

In the opinion of Economic Commission assistant first secretary Irma Ertman, the difference is, however, obvious. Right from the start marked cooperation will be part and parcel of the new form of trade. As stipulated by the commission's Machine and Equipment Committee, it may include joint planning and joint marketing in addition to joint trade.

The intention is also to have components manufactured by both partners present in the final product.

By the end of August 27 joint agreements had been concluded and the Machine and Equipment Committee is constantly studying new possibilities. According to Ertman, there is a countless number of proposals.

The range of the agreements that have been concluded is broad: They extend from the special railroad cars we are familiar with to information technology.

#### Evolved Slowly

Joint production is a form of trade that has evolved slowly, which is why it has now for the first time been included in a general agreement. In this area shoots have been sprouting particularly in the metal sector. The number of sales that has been produced has, however, been small.

Since joint production has now been included in the general agreement, it means that this time the agreement exceptionally precedes actual trading. Generally it has been the other way around.

So it seems that the trade policy's grip has tightened, but this is probably thanks to the Soviet Union, which has been more enthusiastic over the new sub-heading than Finnish officials.

In Finland firms have been very interested in joint production, but officials not particularly so. In trade matters officials are also "the guardians of advantages that have been gained" and, at least in part, joint production will displace some traditional trade sectors.

On the other hand, officials' caution is understandable since so far there is no evidence whatsoever of how good a business joint production may be.

#### Firms Believe

Firms, however, seem to believe in the productiveness of cooperation, judging from their enthusiasm, but many of them are in this way trying to assure themselves a given piece of the market in the Soviet Union.

If and when the shift from traditional trading to joint production does take place, it will take place inside the firms, from one pocket into another. This is the way it will be with Nokia, whose share of the Soviet trade is sizable.

Joint agreements are generally concluded by old hands at the Soviet trade in familiar sectors. There are few newcomers; one of them is the Rautaruukki car project, which is a big one, 10 percent of the entire joint production pie.

Replacing traditional trade with joint production will take place chiefly as arm twisting in the metal industry. In this way "outsiders" like construction and textile firms will not have to suffer.

The degree of collaboration on different projects will vary greatly. The volume of Soviet components in products to be manufactured in Finland will range from 10 to 15 percent.

#### Contacts with the West

The Soviet Union has its own aspirations in connection with joint production. Through Finland it hopes to make contacts with Western markets and develop its own manufacturing techniques.

The alternative, whereby Finland would be the chief market for joint products, also exists. An example of such collaboration is electric locomotives, which are manufactured only for Finland. To be sure, they have tried to sell them elsewhere too, but with little success.

It is estimated that the value of joint production products will rise during the next general agreement term to as much as a third of all metal exports, so that its relative importance will be considerable right from the start.

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CSO: 3617/10

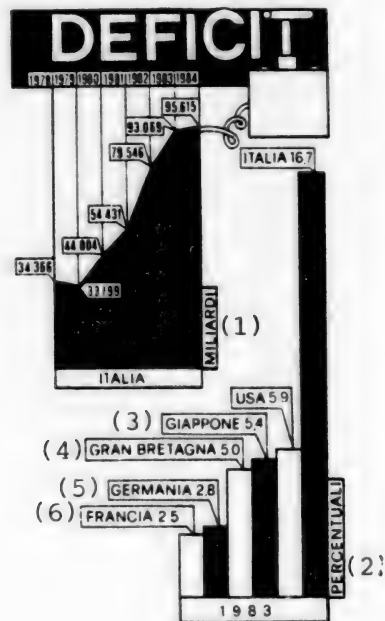
## ANALYTICAL REPORT ON STATE DEFICIT

Rome L'ESPRESSO in Italian 23 Sep 84 pp 164-168

[Article by Salvatore Gatti: "The Black Hole"]

[Text] Rome--First, there was a state deficit of 1,000 billion lire: This was in 1964. Then came the avalanche; and this year, the official public deficit will be 96,000 billion lire. Between the years of our economic miracle and now, the Italian state has engaged in a forced march toward a mammoth financial crisis. Year after year, it has accumulated a debt of 550,000 billion lire, or a per capita total of 10 million lire for each of its citizens. Partly because many Italians have been permitted to pay very little taxes and partly because our various governments have hiked up public spending, the Italian economy is now undermined by "a cancer that is ravaging it; namely, [Italy's] public finance, a real time bomb set to ruin its economy" (these are the words of the IMF).

A pessimistic analysis? Certainly not. Luigi Spaventa, the Left's most brilliant economist, agrees fully with the IMF: "Our public debt is the principal source of worry with regard to our economy." But Romano Prodi, the most authoritative economist in the Christian Democrat area (together with Nino Andreatta), also agrees, explaining the crisis in our public finance: "For many years now we have been distributing more income than the country creates. We have formed an alliance of all the Italians against the state, expanding the public deficit beyond all reasonable bounds. And no one is able to do anything about it. As soon as someone tries to, up go the corporative defenses and thus the deficit deepens and inflation, of which it is one of the principal causes, continues, destroying productive jobs." And in fact, the growing deficit (as is often pointed out by the governor of the Bank of Italy, Carlo Azeglio Ciampi), by sucking up the country's financial resources, is crushing the private sector of our economy, the source of our production. Liberal economist Franco Mattei, vice president of CONFINDUSTRIA [General Confederation of Italian Industry] very recently launched this cry of alarm: "Beware, public spending is increasing at a faster rate than inflation. In 1985 it will end up having swallowed an even bigger slice of our national resources." In sum, everyone agrees. Why, then, is so little being done to rid ourselves of this "cancer"? "Because we are caught in a trap that is not easy to get out of," explains Prodi in simple terms. "Only a formidable political leadership, with the courage to cut into its own flesh,



In the last 7 years, the Italian public deficit has almost tripled, as can be seen in the upper graph above. And Italy thus holds the unenviable record of having the largest public deficit (as a ratio of national income) among the major industrialized countries, as shown in the lower graph above.

**Key:**

1. Billions [of lire; i.e., 95.615 = 95,615 billion lire].
2. Percentages [of national income].
3. Japan.
4. Great Britain.
5. Germany.
6. France.

sacrificing interests of its own electorate, able, in sum, to say a large number of 'noes,' can hope to initiate the work of rehabilitating our public finance."

At what point did Italy's malady begin? And exactly what is our public expenditure? Where has it strayed from normalcy? And what can be done to bring it back under control? A clear response to these questions is given in a private report of some 40 pages, titled "For a Policy of Control of the Public Deficit" and drawn up by the Bocconi University of Milan (the principal private Italian economics and science center) and the University of Pavia, and by, among others, the head of the Treasury Ministry's Public Finance Commission, Emilio Gerelli. Economic authorities of the private and public sectors have combined to address this Italian crisis jointly.

#### Its Origins

"The sizable deficit that today characterizes Italian public finance is the result of a long and articulated process," states the report. The causes are two: Between 1968 and 1975, the "deficit of origin" was created by the scarcity of fiscal revenue, held to around 30 percent of national income (today, it is 45 percent), and by the concurrent growth in spending. "To the deficit 'of origin' was then added the 'derived' one" in the form of interest charges on the growing public debt; these charges, for example, rose from 13,000 [billion lire] in 1978 to the 60,000 [billion lire] projected for this year: An explosion.

So, what is to be done about it today? "The most permissive position," which is that of the present government, aims at setting the public debt ceiling at 16 percent of national income, that is, at less than 110,000 billion lire for 1985.

The report expresses agreement with "this clearly modest goal: A balanced compromise between financially prudent reasoning and the need to avoid too drastic cuts in demand," which, however, requires cutbacks totaling 20,000 billion lire in 1985 (and will require a total of 30,000 billion lire in 1986). This is not a mere trifle. But cutting back, the report explains, will not hurt much, as some think it will: "The level of inefficiency and waste in public spending is in fact very high"; cutbacks will therefore result in improving the various spending systems and "the losses in collective well-being will be limited."

#### Crisis Points

Which spending centers are most to blame? The report lists seven principal ones that produce a deficit whose sums are often not known (and this helps expand the deficit) and which would call for a "solicitor of the expenditures budget," a kind of public "auditor" as in the case of private firms. What actually occurs in each budgetary spending center? Let's have a look together with the Bocconi and Treasury experts:

1. Pensions. Between 1970 and 1982, this item rose from 7.8 percent of the national income to an outlay of 13.3 percent (an increase of 27,000 billion in 1984 lire). But while the outlay has increased, there has been no increase in pension fund contributions. And this has led to a collapse.

2. Public health. This takes 5.5 percent of our national income (36,000 billion lire), not much as compared to the other countries. The problem in this case is lack of control to avoid huge wastes. The blame falls in large part on the doctors, who have become accustomed to hospitalizing patients too easily (hospital care accounts for 60 percent of the total health expenditure). What needs to be done? On the one hand, there should be "provision for joint financial responsibility on the part of the Regions," because every endeavor on the part of the central government--the state--alone, has failed. On the other hand, parameters must be set for doctors--standards with penalties, including financial ones, for those who violate the standards.

3. Pharmaceuticals. The government has been unable to control the outlay under this heading: A goal was set for 1984 in the amount of 4,000 billion lire to be spent for pharmaceuticals in the public sector; the actual expenditure will attain 5,000 billion, according to the report. Why? Because notwithstanding the containing effect the "ticket" for the account of the patient has had on the dispensing of pharmaceuticals, the pharmaceutical industries have increased their average prices (by 24 percent in 1981, 33 percent in 1982, 23 percent in 1983; these increases being in addition to inflation). These increases have been further nourished by the "easy-prescription" doctors under the pressures generated by the "advertising of the pharmaceutical firms." "It is absolutely necessary to contain this deficit," says the report. How? By introducing differentiated tickets: More expensive ones for medicines of lesser [therapeutic] value.

4. Personnel costs. Public employees, whose average cost is 24 million lire per employee per year, have increased in number from 2,355,000 in 1972 to 3,098,000 in 1983. And personnel costs have risen faster than inflation, to 14 percent of our national income. What can be done? Very little: "A freeze on new hirings is easily circumvented." Nothing can be done but to identify areas of waste and improve the efficiency of the public structures.

5. Education. Total expenditure on culture and education has remained stable, around 6.4 percent of our national income, or a little over 36,000 billion lire. Since 93 percent of this expenditure is for personnel, rendering it hardly reducible unless tens of thousands of teachers are laid off, the problem here is again efficiency, says the report: The number of hours actually worked is only 15-and-1/2 [per week] in the lower intermediate grades, and 15 hours in high school, or 60 percent of the workweek in Germany, France and England. Added to this is a high rate of absenteeism, averaging 5 to 10 percent, with peaks as high as 13 percent. What can be done on this front? On the one hand, the productivity and quality of the school system can be improved; and on the other hand, a tax could be levied "equal to 50 percent of the cost on users with [annual] incomes over 45 million lire; this could produce a revenue of around 2,000 billion lire."

6. Transfers to enterprises. There is risk of "an explosive upturn" in this area during the 1980's. Transfers in 1983 totaled over 20,000 billion lire. And over 70 percent of them went from the state to public enterprises (such as ENEL [National Electric Power Agency]) or state-participations (like IRI [Industrial Reconstruction Institute] and ENI [National Hydrocarbons Agency]).

7. Local funding. The Regions are out of control. In 1983, they reported a 30-percent rise in outpayments over the previous year, owing in large part to the abnormal growth of the USL's [Local Public Health Unit(s)] (up 49 percent) and of the transportation enterprises (up 32 percent). Township administrations, on the other hand, are under control: Their current expenditures rose "only" 13.7 percent in 1983.

#### Action against Privileges

"In addition to axing down spending," say the Bocconi and Treasury economists, a slashing of the deficit will require forceful action to reduce tax erosion and evasion: 30,000 billion lire." A huge sum. From where does it stem? From untaxed income in connection with land, buildings, BOT's [ordinary treasury bonds] and CCT's [expansion unknown], and from evasion by workers in handicrafts, merchants and professionals. How did a sum of that magnitude develop? "Evasion and erosion are not technical accidents," says the report. "They are political decisions made, from time to time, to favor specific categories."

Hence, according to the report, the problem of problems, the problem of which Prodi says: "To reduce the deficit there must be a political determination to do so, meaning a preparedness to accept the (generally short-lived) costs of the reactions of those who must pay their share of the burden and lose privileges." Can the Craxi government meet this test?

[Boxed insert p 165]:

#### Goria: Too Much State in This State

Rome--The government is aiming for a deficit of 101,000 billion lire in 1985. What will it be at the close of 1984? And how does the government plan to achieve this goal the following year? We asked this of the minister of the treasury, Christian Democrat Giovanni Goria. He replied: "1984 will close with a deficit less than the 96,000 billion lire we had projected in June."

[Question] And how will public finance be controlled in 1985?

[Answer] Our goals will be achieved through an 18-percent increase in tax revenues, a 7 percent rise in expenditures after deducting interest charges, and about an 18-percent rise in capital-account outlays: A 3-percent increase in real terms, that will go into bolstering the economy.

[Question] Are these not modest goals?

[Answer] No. 1985 is only the first year of a multi-year tidying-up plan.

[Question] But in this respect, there is a divergence of views between Treasury and the Bank of Italy.

[Answer] The divergence is just one: The Bank of Italy assumes the possibility of a public spending rise, in real terms, hence wants to offset it with an increase in taxation. We, on the other hand, consider that the maximum possible effort must be made to curtail spending and that we can therefore keep the taxation pressure almost unchanged. The difference is small in terms of figures, but is substantially significant politically: I am convinced that the state must withdraw, wherever possible, from Italian society. Difficult to withdraw it? At least, let's halt its growth."

[Boxed insert p 168]:

#### Governmental Lies

Rome--Not even in 1985 does it seem our budget will be able to distance itself from the customary ballet of the figures. The shortage, that is, the public deficit, oscillates, according to the various government documents, between 117,000 and 113,000 billion lire, and the hopes of containing it oscillate between a goal of 101,000 and one of 107,000 billion. But the gravest aspect is another: The official charts lie baldly. This is revealed in an internal document of the Ministry of the Budget, which analyzes the "Draft Governmental Budget for 1985."

"The budgetary shortfalls for 1982, 1983 and 1984 are underestimated in that they have left out, to be picked up in 1985, unposted debts totaling 19,194 billion lire," an outright hidden deficit defined euphemistically as regularization of indebtedness, which the government technicians are trying to conceal in their documents. What are these 19,000 billion? Principally, 6,000 billion lire owed by USL's to local suppliers; 4,800 billion lire owed by the state to banks for overpayment of the surrogate tax; advance disbursements by the Post Office Administration to war-wounded and civilian invalids totaling 2,500 billion lire; and consolidation under various headings of a total of 360 billion lire owed by musical and cultural bodies.

According to the Ministry of the Budget, therefore (excluding only the 2,500 billion of the invalids, and thus reducing the total to around 17,000 billion), this concealed deficit, as of year-end 1985, "will lead to a corresponding direct and indirect rise in the public debt." Truth will out.

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CSO: 3528/5

## EMPLOYMENT RATIO BETWEEN INDUSTRY, AGRICULTURE, SERVICES

Rome L'ESPRESSO in Italian 23 Sep 84 pp 172-175

[Article by Giuseppe Turani: "One Does Not Live by Industry Alone"]

[Text] Italy is lagging far behind: There are still too many people in industrial activities and in agriculture. The services sector has not grown sufficiently. However, some changes have already come about. Which?

Milan--Caught up as we all are in the problem of finding jobs for the 2.5 million unemployed in our midst, we frequently neglect to analyze the revolutionary change that is taking place in this sector and, more generally, in the Italian society. An opportunity to think more detainedly in terms of where the country is headed is offered us by a set of figures and tables published in the most recent issue of the IBM ECONOMIC REVIEW.

The more significant of these figures are illustrated in the graphs accompanying this article, which we will try to examine with due care, offering our explanatory comments. It will become clear to us that we have been confronting (and to a large extent are still experiencing) a prolonged period of dramatic social changes, without anyone (neither the government nor the unions, for instance) having ever shown the least interest in seriously addressing them. On the contrary, whenever possible, they have opposed them, even hard-nosedly at times and with an extraordinary lack of understanding.

The first three graphs [see end of this translation], illustrate the makeup of Italian employment in 1971, 1984 and 1991 (the latter case obviously being a projection). For simplicity, the data shown relate to the three basic sectors: Agriculture, industry and services. A glance first at the data for 1971 and then at those for 1991 quickly conveys the major phenomenon in which the Italian society has been involved over the past 20 years and in which it will be even more involved in the years ahead: Agriculture and industry are losing jobs and are relinquishing them to the services sector. What is perhaps a little less obvious is the magnitude of these changes:

1. Between 1971 and 1991, agriculture "loses" a little over 2 million jobs;

2. During the same period, industry also "loses" 2 million jobs;
3. During the 20 years under examination, the services sector shows a rise of (approximately) 4 million jobs.

This was, at the beginning of the 1970's, the big challenge to which the nation should address itself. The migration that was about to begin was no less sizable than the one which, during the 1950's and 1960's, changed the physiognomy of Italy, transporting millions of persons from Southern Italy toward the factories of the North. This time, the phenomenon was different but no less compelling. The transfer would no longer take place along the peninsula's vertical axis but rather within the society itself--from the fields and shops toward the offices. It was a change that was to bear heavily on the way of living and of working of many people. Moreover, it was to (as it subsequently did) unsettle the labor unions, who would find themselves in the grip of a new reality.

If with these images in mind we go back briefly over our social history of the 1970's, we will seem to be caught up in a dream. To cite but one instance, the labor unions discovered the power of the working masses, succeeded finally in curbing the "hot fall movement," and on that basis tried to construct an outright cultural and political hegemony, precisely at the time that the major scaling down of industry was starting. Rarely has anyone been known to act so precisely at the wrong moment. Not only that, but those very same years saw the start of the first "attacks on employment," in the sense that industry was beginning to lose the first of those 2 million jobs that would be going up in smoke during the period 1971-1991. But the labor unions seemed to be living in a total unawareness of the historic shift that was enveloping it. And it undertook a factory-by-factory struggle against the "bosses" in defense of employment, struggling against society, which was changing--changing not because of any bizarreness on its part, but because that was the way things were going throughout the world.

All of this had its culminating moment, which was the struggle at the Fiat plant in the fall of 1980, with the PCI [Italian Communist Party] in the front ranks, headed by its secretary general. Bearing in mind our graphs, there was nothing heroic about those days, during which no great cause was at stake. Simply two big mass movements--the PCI and the unions--which, by dint of having kept too close to the masses and too distant from the books and study centers, did not realize that they were being pathetic, that they were opposing something bigger than they: The society in motion.

The state also contributed its part. At the very time that the services sector was taking off, during the 1970's, the public authorities were grappling with grandiose industrialization plans, all of which ended up as fiascos (suffice it to recall the frenzied days of the "chemical war" between Montedison and the other contenders). Instead, those were the days when new freedoms needed to be introduced into the Italian economic system, to promote an accelerated expansion of services. But on the contrary, they were the period in which constraints and interventionism increased. It had become indispen-

sable, in the light of the changes that were already making their appearance, to center our efforts on a major reform of our educational and occupational training systems, orienting these two structures toward the new order of things, which was exploding. Instead, nothing.

Much of that distancing from problems is still with us today. In fact, let us open our notebooks. And what do we find? Again, big debates on unemployment and on wage indexation (again with the PCI in the front ranks). And, still again, there is no good cause at stake; there is merely the risk of being pathetic once again in the space of 5 years. In the services sphere, big overall labor agreements and questions of wage scales for major segments of labor lose their significance, and are more and more being replaced by individual agreements, which are quite often complicated and quite diverse from the ripe old experience of the Italian labor unions (part-time, fringe-benefits, payment in kind and services rendered).

Presently, however, we are in 1984, and can take a glance at the second graph to see how much of the "revolution" we have sought to outline has actually taken place. It is immediately evident that agriculture has made considerable strides: It has already lost close to 1.6 million jobs of the 2 million it will be "scrapping" over the 20 years under examination. It still has to eliminate close to half a million.

Industry has "lost," roughly speaking, over 1 million jobs. It is still, therefore, at the halfway point. Services have grown specularly.

But that is not the end of the story. The fourth graph shows a projection of the employment structure in the United States as of the year 2000. Since we will be arriving late, but since we are moving along the same path, we can say that the U. S. data for the year 2000 are "valid" for us in the year 2010 or down the pike from there--that is, within some 25 years. So, what do we see?

That at that point, the services sector will be absorbing two-thirds of our employment. If we translate these percentages into figures, we discover that over the next 25 years the services sector will enrich itself by some 6-7 million additional jobs, while industry will be halving its jobs and agriculture will be losing 80 percent of its total available jobs as of today.

This is a "revolution" that is absolutely unprecedented in the Italian society, from the standpoint of the number of people involved and that of the rate of advance of the phenomenon. Once again, the question: What are we doing about it? Can anyone, reading the newspapers and watching television, detect signs of recognition of this phenomenon by anyone with the power to decide? No.

Lastly, there are the three final graphs. They have been conceived by one of our most intelligent Italian economists, Ada Becchi Collida. And we are presented with a highly unique comparison between Italy and the United States as regards those aspects we have just discussed. At first glance, these

graphs are a bit difficult to understand. Let's start with the first, which represents the trend of jobs in the agricultural sector as a percentage of total employment.

As is to be expected, the curve of the graph drops, since each year there are less persons employed in agriculture. However, the horizontal axis of the graph shows a mixture of dates; and now, if one looks at the end of the graph, it immediately becomes clear. In 1991, Italy will have 6.9 percent of its total employment in agriculture, versus its 17.5 percent in 1971; the United States, however, already had less in 1976, or barely 4.2 percent.

Further examination of this graph provides more food for thought. In Italy in 1984, nearly 10 percent of its employment is dedicated to agriculture; in the United States, however, this figure was already below 7 percent in 1961. Italy will attain this 1961 U. S. level exactly in 1991--30 years later. So much for agriculture; and, though to some extent it is an approximation, obviously, it represents our lag with respect to the United States.

The same comparative analysis can now be applied to the other sectors.

In industry, things seem to be going somewhat better. We attained the American 1961 position (approximately 38 percent of its employment dedicated to industry) in 1984--a lag of only 23 years in this case rather than 30.

In the services sector, the trend is similar to that of industry: Our lag (as regards work-force commitment) is around 25 years.

#### Conclusion

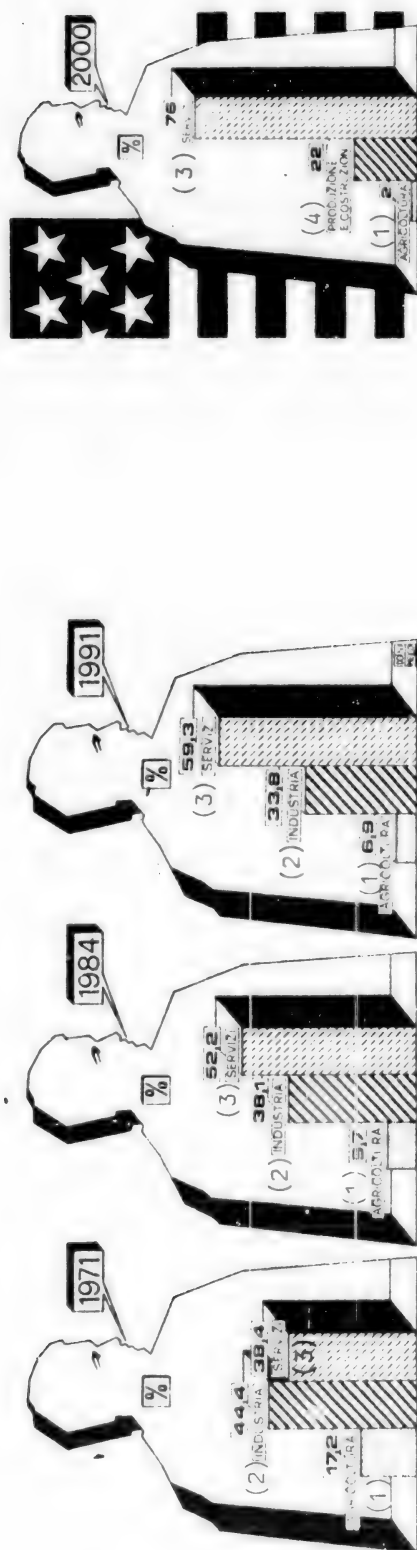
This is not to say that the model we will end up following is necessarily the American one (our two societies are very different from each other). But neither will we be very far apart. Unfortunately, we must acknowledge two phenomena: 1. The reconfiguration of our society is inordinately lagging (there are still too many persons in agriculture and industry). The gap is of the order of a quarter-century. 2. We are doing very little, as a society, to speed up the "revolution" in progress. On the contrary, almost invariably, when it comes time to decide, we line up against it. Is a final example needed in addition to those already cited? It is clear that this revolution is traveling, in great part, via the telecommunications facilities. A judicious country would have concerned itself with fostering the advancement of this sector, motivating its operating entities, seeking to activate new ones, creating a favorable business climate, and sending signals to those with more advanced technologies than ours.

Instead, a look at the record for these years shows that we spent the 1970's, in large part, arguing over SIP [Italian Telephone Company] rates, not over what the company could have accomplished. In this debate, everyone had his or her say and we succeeded in driving SIP's accounts into the red, thus retarding its further development and growth for who knows how many years. The most recurrent rationale was comic: The rates must remain low for social

reasons. In contrast to a world in which telecommunications were exploding and defining the physiognomy of the new civilization, we have continued considering them in the same light as city transportation: Reduced fares for pensioners, students, military personnel and groups.

[End of text; graphs follow]:

# Yesterday, Today and Tomorrow



These three graphs illustrate the distribution of Italian employment among the three principal sectors as of 1971, 1984 and 1991. They are quickly and easily read. Let us take, for example, the one for 1971. In that year, 44.4 percent of the Italians who had a job (of any kind) were working in industry, 17.2 percent in agriculture and 38.4 percent in services (commerce, transportation, insurance, banks, public administration, etc).

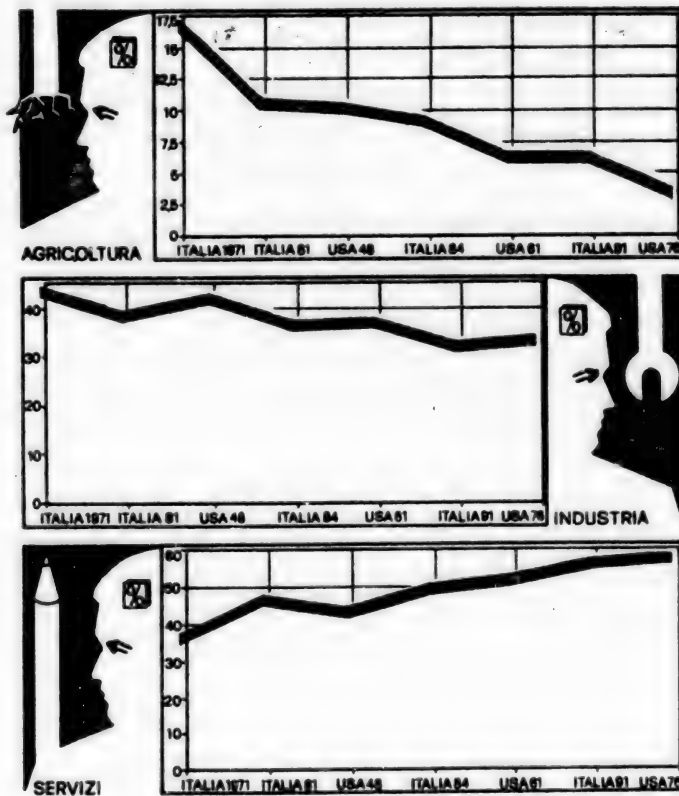
The 1984 graph is read in the same manner. As of now, among other things, more than half the Italians (52.2 percent) work in services. In 1991, however, this ratio should approach 60 percent, through a sharp drop in the agricultural and industrial sectors (as occupations).

Key:

- 1. Agriculture.
- 2. Industry.
- 3. Services.
- 4. Production and Construction.

This graph illustrates a possible work-force distribution in a post-industrial society, based on the probable makeup of employment in the United States in the year 2000: Three-fourths (76 percent) of the population will be employed in services, only 2 percent in agriculture, and barely 22 percent in production.

## Two Economies Compared



In these three graphs, the trends of the three sectors in Italy, between 1971 and 1991, have been reconfigured. As can be seen, the ratio of agricultural to total employment drops, and that of industry also drops though less sharply, while that of services rises. To enable a direct comparison, the data relative to the American situation has been inserted along the horizontal, or time, axis. Example: Examining the first graph, relative to agriculture, one notes that in Italy in 1991 this sector will employ 6.9 percent of all workers, but also that the United States has already reached that level as of 1961, or 30 years before: The United States is moving faster than we are towards the post-industrial society. We are moving along the same road, but are lagging far behind.

9238

CSO: 3528/5

## AUSTERITY IN ECONOMIC MANAGEMENT QUESTIONED

Lisbon DIARIO DE NOTICIAS in Portuguese 19 Oct 84 p 6

[Text] From the anticipated 176 million contos, the deficit in the 1984 state budget has for now risen to nearly 250 million, owing to another "gap," currently disclosed which has arisen during the past 2 weeks. We say "for now" because, from what we have learned, the sum of 45 million contos cited by the officials will still fail to meet the real budgetary requirements. Hence, the deficit exceeds the established 7.3 percent in relation to the GDP (gross domestic product), one of the government's major goals. Another significant target was the decline in inflation to a rate of 24 percent (it ranges around 30 percent), which will not occur either.

As a well-known banker commented, one can prove whatever he wants with ideas and numbers. According to the finance minister, for example, this severe worsening in the budget deficit is a result of "clearly positive" causes; which he did not explain. Thus, Ernani Lopes thinks that there is no reason to question either the economic policy or the budget policy of the government, the austerity of which, moreover, he reaffirmed. But what degree of austerity can be ascribed to a policy and a budget which show consecutive "gaps": yesterday, one of 28 million contos, today, another one of 45 million, tomorrow..., increasing a deficit anticipated as being large at the outset? Neither the ideas nor the numbers in the parliamentary debate, regardless of the dialectical gifts of its defenders or its opponents, have succeeded in proving the excellence of either the economic orientation or the austerity of the budget.

It is true that, according to the government, there are reasons for the increase in the budget deficit: yesterday, they were the transfers of certain revenues to public enterprises and their reduction; and today, the sale of some gold by the Bank of Portugal has been admitted, but not materialized. Ernani Lopes implicitly foisted the blame for the 45 million conto "gap" on the Central Bank's shoulders: through the sale of gold, with the value of that item, the treasury's coffers would be less empty. From this standpoint, it appears insignificant to realize that gold prices have dropped no less than \$40 per troy ounce since the beginning of the year, in the average quotations on the international markets. This means that selling reserves, at this juncture, is not exactly good business. It seems equally inappropriate to imagine that the government is unaware of how the Bank of Portugal is progressing from day to day.

For it should have known a long time ago that this amount of gold should not be sold, nor would it be, and that there would not be any anticipated "extra profit."

The fact that the austerity has resulted on the economic level (note the decline in consumption and the collapse of production) and on the social level (note the increased unemployment and the drop in the real wages and purchasing power of the population) has been proven. Let's agree that it was the only "outlet" for starting to cope with the crisis. But there are serious doubts that the austerity has operated with the same efficacy in the realm of management. Some officials even think that what was gained with the stringency of the sacrifice has been lost with the "laissez faire, laissez passer" in management. And what now?

2909

CSO: 3542/31

## BRIEFS

ARAB BANK WITH LIBYAN CAPITAL--An Arab bank with Libyan capital is attempting to become established in Portugal, with the joint participation of Portuguese public and private funds. In this connection, the president of the Arab-Spanish Bank, who visited Lisbon yesterday, met with Mario Soares and the finance minister, Ernani Lopes. Abdulah Saudi expressed the Aras Bank's interest in having an active presence in Portugal, specifically, with the establishment of an investment bank similar to the one already existing in Spain. The Arab-Spanish Bank has 25 percent Spanish public capital and 15 percent private capital. The Aras Bank, in turn, usually directs its capital to finance imports for the Arab countries, coming from the countries in which it is established; which could be an important factor for increasing Portuguese trade. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 18 Oct 84 p 24] 2909

CSO: 3542/31

## EUROPEAN CHAMBERS OF COMMERCE FAVOR SPAIN'S EEC ENTRY

Madrid YA in Spanish 10 Oct 84 p 22

[Article by Jesus F. Briceno]

[Text] There is complete unanimity on the part of the Chambers of Commerce of all the member nations of the Common Market about Spain's entry in the EEC. There has not been a single hint of opposition to Spain's entry in the EEC expressed by the Chambers of Commerce of any country of the Communities; they actually feel that Spain's entry should take place as quickly as possible, the secretary of the National Commission on Relations with the EEC of the Superior Council of Chambers, Luis Insula Garcia, told YA.

According to Luis Insula Garcia, this does not mean that there are no tensions and problems, especially when membership negotiations are nearing completion, as they are now for Spain and Portugal. In these negotiations, all countries defend to the limit their positions and national interests.

Specifically, last week there was a COPEC [expansion unknown] meeting. The Chambers of Commerce of Northern Spain and Southern France are members of this organization, in which conflicting interests are represented, as might be expected from the locations involved. During the meeting a number of resolutions were approved, urging Spain's rapid entry in the Common Market. The meeting was attended by Mr Dumas, France's minister for European affairs. Another fact of significance is that in the Chambers of Commerce, work is proceeding as if Spain and Portugal were already EEC members.

The Chambers, in Brussels

According to their representative in Brussels, the Spanish Chambers did not perceive any direct or indirect opposition to

Spain's entry, and no pressures were placed on them at all. Another point to remember is that the Chambers of Commerce of these countries do express the views of business sectors of their nations so that the negotiations will be oriented in one direction or another.

For approximately 20 years, the Spanish Chambers of Commerce have been represented in the Community organizations in Brussels through the Permanent Conference of Chambers to the EEC. This organization of Chambers from all over Europe works with assemblies, standing committees, executive councils, and above all, working commissions.

The Spanish Chambers are represented in this Conference with special status as an associate country. This status does not prevent the full participation of our country in this group. To date there has never been any problem which required that decisions be made by voting (which would exclude Spain). Rather, decisions are adopted by a general consensus of all members. Germany, France, Italy, and Spain all deserve credit for the smooth operation of this Conference of Chambers.

What is happening with the negotiations seems relatively reasonable to the Community official of the Superior Council of Chambers. But perhaps, he adds, what has not been clearly explained to Spain is the complexity involved in such negotiations. Things are explained with great superficiality and frivolity, based on what happens in each session.

The Community is the sum of its member countries, and each one defends its own interests as far as it can, and only when they have been defended in this way and a point of no-return is reached, can they close out each of the items covered in the negotiations. Perhaps the present problem stems from the fact that a date was set, which should have been a tentative guideline, but instead it was announced all over as if it were the definitive date.

Now is the time, according to the Superior Council of Chambers' secretary for relations with the EEC, when the most difficult issues are being negotiated. As these issues have still not been fully matured within the Community itself, it is very hard to find a spokesman who can negotiate with firmness. But this highly complex situation still does not mean that we don't see cases in which in the morning there is total disagreement, and in the afternoon all the files on these particular issues can be closed out.

Spain's rapid entry would offer its businessmen the incentive of clearing up the unknowns surrounding the future of Spain's industries and speeding up the decision-making process, in addition to the general modernization of society that goes hand in hand with membership in the Common Market.

7679

CSO: 3548/17

## STATISTICAL SURVEY, IMPACT OF FOREIGN WORK FORCE

Madrid YA in Spanish 1 Oct 84 p 15

[Text] According to figures compiled by the National Institute of Statistics 418,413 foreigners reside in our country. Although 2.75 million Spaniards are residing in foreign countries, Spain issues fewer working permits to immigrants than any other European country. In 1983, only 65,666 working permits were issued to these workers and this figure includes new permits as well as extended or renewed permits.

Madrid--Although the Spanish legislation does not contain discriminatory clauses, job applications processed by the INEM [National Institute of Emigration] are decided according to a system which bars a foreigner from taking a job if there is a Spanish applicant who shows that he has the required qualifications for that position. Also taken into consideration is the reciprocity rule, which means the treatment received by Spaniards living in the country of origin of the immigrant who is applying for the job. This policy favors nationals from South American countries, from Portugal, Andorra and Equatorial Guinea.

Although a number of highly qualified foreigners in technical and executive positions are posted to Spain, mostly working for multinational companies, the vast majority of the foreigners living in Spain have a very low level of education and of professional training. With the EEC countries closing their borders to emigration, part of that flow has turned towards Spain even though the impact of the economic crisis in this country cannot be compared to the situation in their countries of origin.

#### Moroccan Were First To Arrive

The first migration wave of Moroccans took place during the years of the Spanish Protectorate in Morocco when more than 100,000 Moroccans were living in Spain, but as soon as that kingdom became independent they returned to their country. The very bad economic conditions in Morocco have brought about a resumption of that emigration movement starting on the early 1970's.

Today, 3,500 Moroccans are legal residents of this country but that figure is meaningless compared to their real, though unofficial, numbers which stand at more than 45,000. The main Moroccan communities are found in geographic areas

close to their country: the towns of Ceuta and Melilla, the Canary Islands and the Costa del Sol. More distant groups have settled in Madrid and Barcelona.

Job exploitation, housing, their children's education and lack of assimilation are the major problems facing that group, problems which become less acute in the areas of the south where their communities are larger. The chief occupation for these emigrants is, for women, domestic service by the hour and, for men, peddling goods smuggled across the Strait of Gibraltar, although quite a few of them are also working in construction and hotel jobs. Their presence is particularly noticeable in sectors most likely to provide short-term seasonal jobs.

#### No Figures for Portuguese

Although an increasing number of black people can be found anywhere in Spain, the only true immigration movement started in 1979 with the arrival of Gambian and Senegalese nationals to the Maresme del Ampurdan area in Catalonia. Most of these immigrants came from France entering this country illegally, spurred by the fear of being sent back to their countries of origin, a policy implemented by the French authorities with increasing success because in recent years that country has adopted more severe measures to restrict immigration.

More than 4,000 of these immigrants have settled in that area of Catalonia and are mainly engaged in agricultural work. Their total defenselessness against their employers' abuses has already prompted on various occasions solidarity action on the part of Spanish labor organizations and intervention by the law.

Of all the foreigners living in Spain, the case of the Portuguese aliens is, for a different reason, the most alarming. No statistics can be established for that group given the ease with which they can cross the border into our country. Officially, 29,084 Portuguese are residing in Spain but police sources have at times put forward the figure of 70,000 merely counting those who live by begging.

A very critical economic situation in Portugal is the cause of that immigration which in parts of Galicia, Asturias and in Madrid has reached alarming proportions. So far municipal and regional authorities have been powerless to deal with the problem of a large segment of that group of aliens who have become professional beggars and are plying their trade through many of the streets of major Spanish cities.

#### Main Groups of Foreigners in Spain

Europe	-	273,371
Federal Germany	77,504	-
Portugal	70,000?	-
Great Britain	44,405	-
France	34,763	-
North America	-	33,464
US	31,781	-
Latin America	-	61,257
Venezuela	12,777	-

Argentina	10,904	-
Cuba	10,361	-
Africa, Asia, Oceania	-	50,321
Morocco	45,000?	-
Total		<u>418,413</u>

8796

CSO: 3548/11

## INI PRESENTS CONTROVERSIAL SHIPYARD RECONVERSION POLICY

Madrid YA in Spanish 10 Oct 84 p 23

[Text] The commission on reconversion of Spain's major shipyards will meet today at the ministry of industry. During this session the INI [National Institute of Industry] will present to the unions plans for each of the public enterprises in this sector. These plans call for closing the plants of Olaveaga and Astano, of El Ferrol, leaving a labor surplus of 8,200 workers unemployed.

Production in the shipyard industry for 1985 will remain fixed at 255,000 tons of gross compensated registry weight. Contracts of the surplus workers will be rescinded, unless during the third phase of the negotiations an agreement can be reached on suspension (the workers would not be separated from the enterprise in this case). The UGT [General Union of Workers] and ELA-STV [Basque Traditional Catholic Labor Union-Solidarity of Basque Workers] unions oppose the INI's plans and hope that in the third phase they may be able to reach some agreements that were not possible during the second phase. The Workers Commissions are not taking part in these discussions, as they did not sign the reconversion decree. They have announced mobilizations leading to a general strike in this sector on 30 October.

Problems of the shipyard sector yesterday were centered on about 300 Duro-Felguera employees who assembled in front of the Labor Magistracy of Gijon, while 200 Maritima del Musel employees blocked traffic in the Jove neighborhood near the shipyard for half an hour. No incidents were reported.

Workers on the Duro-Felguera dam afterwards decided to hold an information rally in which they reported on the plan presented by businessmen from the private shipyards. On the subject of the reconversion of the Gijon shipyards, yesterday there was

a meeting at the "Principado" attended by company committees, businessmen, and advisers from the ministries of industry and labor. One of the issues discussed was the exclusion of the Cantabrico y Riera shipyard from the "Gijon Shipyard" plan, because of serious economic difficulties that would keep it from an appropriate level of participation. The Duro-Felguera and Maritima del Musel shipyards are included in this plan. Juliana Constructora of Gijon will continue to operate as a public shipyard.

#### CASA Rejects Committee's Proposal

The management of CASA [Aeronautic Construction, S.A.] has rejected an alternative proposal to the job regulation procedure presented by the intercenters committee. In a meeting between the intercenters committee and management, the committee presented an alternative to the job regulation plan that has already been approved by the ministry of labor, according to sources from the company committee.

The proposal called for nonapplication of the job regulation procedure, and starting to study the next agreement, which would consider reductions in the length of the workday and early retirement plans, among other options, in order to improve the situation.

It was also reported that there was a mistake in the job regulation request, and that the workers affected by this job regulation plan in Getafe would not be 418, but 836. This would bring the total number of persons affected by this procedure to 2,700. The management representatives said they will rely on the government to correct the error. The intercenters committee plans to study the content of today's meeting, and will propose possible actions to oppose the application of this procedure, added the same sources.

#### Transportation Paralyzed in Badalona

The intermittent strike called by the company committee of the private firm, Tusa, which holds a concession from the municipality of Badalona to operate the public transportation system in this city, has been supported by the firm's 137 workers. With this protest action, which was held for the first time yesterday, and which is scheduled to continue indefinitely every Friday and Tuesday, the employees are demanding that the agreement be enforced, that they be paid their pending wages, that they not have to work overtime, and that the difficulties related to the recognition of the company committee be resolved.

## ALFRED WEGENER INSTITUTE CHIEF ON POLAR RESEARCH PLANS

Oslo AFTENPOSTEN in Norwegian 5 Oct 84 p 9

[Article by AFTENPOSTEN Correspondent Nils Morten Udgaard: "Can Become Leader in Europe: High German Polar Stakes"]

[Text] Bremerhaven, October. An intense all-out political effort and economic stakes of over one billion kroner in under five years have made West Germany one of the world's leading countries in the field of polar research--and will perhaps ensure the West Germans a leadership position in Europe before the end of the 1980's.

The driving force behind this campaign is the desire for political influence, economic gain and, not least, a place among the international research elite.

The visible symbol of Bonn's new line in the polar regions came sailing home to its base in Bremerhaven a short time ago: The new research vessel, ice-breaker and supply ship, the "Polarstern" [Polar Star], then ended a 132-day sea voyage in the Arctic Ocean, with calls at Longyearbyen, Tromsø and Ålesund--and with 12 Norwegians among the 200 researchers and technicians who worked on board during parts of the voyage. Later in the month the ship will go south to the Antarctic, where the center of gravity of the West Germans' research lies. The time in port will be brief: The "Polarstern" works in the polar regions in the north or south 260 days a year. In addition, there are 60 days sailing to and fro.

## Dream Ship

When the ship was put into service in December 1982 it had cost DM 190 million--over 500 million kroner--and came to be the country's most expensive civilian ship. In addition, there are annual operating costs of DM 20 to 25 million (55 to 70 million kroner), and these contribute to giving the polar experts what they call "a researcher's dream ship"--and what the FRANKFURTER ALLGEMEINE characterized as an "armored ship for science."

A tour on board together with the expedition's leader, Professor Ernst Augstein, allowed us to notice that something has taken place with the equipment and comforts since Nansen and Amundsen were under way with the "Fram." Here there is a reasonably large swimming pool, with steambaths, lounges and

bars--one of them outfitted with a heating stove--one-man cabins and suites for the captain and expedition leader. Laboratories which are permanent or are in containers fill large parts of the ship. The instrument inventory is good-sized and generous space has been set aside for several large computers. "They have shown themselves to hold up to more than the manufacturer would promise. Pounding in ice has not done any harm to them," Augstein says. A well through the hull makes it possible to take floor specimens when the "Polarstern" is solidly in ice. On deck, a landing place and hangars for two helicopters, and large cargo booms which can lift supplies out on the ice. Stabilizers, heeling mechanisms and special jets which are to free the ship from the ice are also not lacking.

#### Twenty Thousand Horsepower

The 118-meter-long "Polarstern" with four engines for a total of 20,000 horsepower has a crew of 41 and carries 65 researchers, technicians and "passengers" to research stations.

"During this year's summer voyage in the north we had 200 who worked on board, for shorter or longer periods. About 30 percent were foreigners--in addition to Norwegians there were Americans, British, Canadians, Swedes and Frenchmen," Augstein relates. "Besides the Polar Institute in Oslo--which we entered into a cooperation agreement with last year--we have special contact with geophysicists at Bergen University, at Tromsø University, the Institute for Continental Shelf Studies in Trondheim, and with other Norwegian research institutes," the expedition leader says, who himself is a geophysicist and meteorologist.

#### Through Three to Four Meters of Ice

The voyage to the Arctic says a little about the scope of the work: The first stage concerned testing of the ship--it can go at moderate speed through 1.5 meters of ice and can break open channels for itself through 3 to 4 m of ice. Then, studies of the ocean, ice, weather and biological phenomena at the edge of the ice, as part of an international and long-standing project. As the third stage, oceanographic and biological measurements were made as far north as possible in Fram Strait between Greenland and Svalbard. Then came marine geology studies in the Norwegian Sea off Lofoten and in the Greenland Sea, together with fishing research, while the fifth and sixth stages included geophysical, seismic and geological studies in the waters around and in part on Jan Mayen.

It was in 1978 when the political decision was made in Bonn: The Research and Technology Ministry was assigned to develop a comprehensive polar research program, primarily for the Antarctic. Since then it went on without pause:

In 1979 the Federal Republic of Germany signed the Antarctic Treaty and two years later became--thanks to the research effort--one of the treaty's 14 voting "advisory States." In 1980-81 they established their Alfred Wegener Institute for Polar Research (AWI) in Bremerhaven--named after a German polar researcher who died in Greenland in 1930.

He was especially known for his theories regarding continental drift. In 1981 a permanent research station was also established in the Antarctic, and the year after the "Polarstern" was put into service, and at the last turn of the year the institute took over two Dornier special airplanes for the Antarctic.

#### Big Ambitions

AWI numbers among the Federal Republic of Germany's 13 "major research institutes" which receive special State support. The threads are now being pulled together: Beside doing its own research, AWI is to have responsibility for the entire supply service for West German polar research, coordinate the national effort and look after international cooperation. A new building is to be finished in Bremerhaven next fall and provide space for 150 staff members--today AWI has about 120--while the second building phase three years later will bring the figure up to about 250. In addition, an ocean research institute with 100 staff members in Bremerhaven will be combined with AWI. "When we reach 300 to 350 staff members in 1988 and in addition figure in the polar research which is being done by other institutes and universities, I would think that West German polar research will be the most extensive in Europe," AWI Director, Biologist Gotthilf Hempel tells AFTENPOSTEN.

[Question] Research Minister Heinz Riesenhuber reported in August that Bonn has staked DM 390 million (1.15 billion kroner) on polar research since 1979. What is the driving force behind this effort?

#### Disappointment the Driving Force

[Answer] "Firstly, disappointment over the fact that West Germany was left completely empty-handed after the ocean rights negotiations in the 1970's. As a raw-materials-poor country we did not want to get into the same situation again and gambled on taking part in the Antarctic. Secondly, the desire grew to take part scientifically--here AWI has three areas of concentration: the weather and the climate's effects on the ice, oceans, geology and biology. An analysis of the ecological systems of the polar regions; and studies of the geological evolution of the Antarctic and surrounding ocean areas. The third driving force in Bonn was the hope for economic gain. The Antarctic could be economically important. At first they were thinking about krill, of the abundant occurrences of this crayfish-like animal in the Antarctic Ocean. But such great importance is no longer attached to this," Professor Hempel says.

#### Want to Show Colors

Professor Augstein, the institute's deputy director, also thinks that economic motives have been important. "But otherwise it is as in outer space: You want to show your colors--show the world that you are scientifically and technologically in front. Continued interest in Bonn will depend on whether we manage to keep ourselves at the top of international research, and on what other countries do," he says.

Both leaders are natural scientists who are now hoping for a longterm effort which will unite ties back to a 100-year-old German polar research tradition, which two world wars interrupted for long periods. The West Germans went for the first time to the Antarctic as late as 1975, where they--before their own "Polarstern" was ready--made good use of Norwegian vessels like the "Polarqueen," "Polarsirkel" [Polar Circle] and "Polarbjørn" [Polar Bear].

8985

CSO: 3639/9

## DETAILS OF POLAR INSTITUTE'S DECEMBER ANTARCTIC EXPEDITION

Oslo ARBEIDERBLADET in Norwegian 26 Sep 84 p 3

[Article by Gunnar Grytås, Labor Press: "Expensive Antarctic Expedition"]

[Text] Tromsø. How much the polar institute's Antarctic expedition, which begins in December, will cost there is no one who knows completely today. It depends, for one thing, on the financial compensation for the junior and non-commissioned officers who are to follow with the "Andenes" on the expedition in three months.

However, it is figured that it will cost approximately four million kroner to use a coast guard vessel in the Nordkapp [North Cape] class for a three-month Antarctic expedition. In addition, the expedition's budgets must cover the approximately three million which it will cost to find a replacement when the "Andenes" sets its course southward.

The Junior and Non-Commissioned Officers United Organization has submitted demands regarding negotiations on financial compensation and other terms.

On the other hand, the draftees who will be along on the trip have less to negotiate about. The regulations say that on a sea expedition north of 65 degrees latitude they are to have 18 kroner per day. It has still not been decided whether the enlisted men will get this bonus when they go in the "wrong" direction--south of the equator.

Those taking part in the voyage, 25 researchers and 45 officers and draftees, are being taken on a voluntary basis. It was emphasized to NORDLYS [NORTHERN LIGHTS] that there has not been any difficulty in getting people to go along. The expedition will probably be an adventure and a completely new experience for anyone taking part.

Nevertheless, there is talk about services which it is believed on the part of the junior and non-commissioned officers provide a basis for negotiations regarding wage terms and working conditions.

"We have requested negotiations regarding this, but have not yet received an answer."

**END OF**

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